S. HRG. 99-780

EMPLOYMENT OF VIETNAM VETERANS

HEARING

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

NINETY-NINTH CONGRESS

FIRST SESSION

SEPTEMBER 12, 1985

Printed for the use of the Committee on Veterans' Affairs

U.S. GOVERNMENT PRINTING OFFICE

60-880 O WASHINGTON : 1986

For sale by the Superintendent of Documents, Congressional Sales Office
U.S. Government Printing Office, Washington, DC 20402

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EMPLOYMENT OF VIETNAM VETERANS

THURSDAY, SEPTEMBER 12, 1985

U.S. SENATE,
COMMITTEE ON VETERANS, AFFAIRS,
Washington, DC.

The committee met, pursuant to notice, at 9:36 a.m., in room SR-418, Russell Senate Office Building, Hon. Frank H. Murkowski (chairman of the committee) presiding.

Present: Senators Murkowski, Thurmond, Stafford, Specter, Cranston, and Rockefeller.

OPENING STATEMENT OF CHAIRMAN MURKOWSKI

Chairman MURKOWSKI. Good morning. The Senate Veterans' Affairs Committee hearing on employment of veterans will come to order. I want to welcome you all to the committee hearing this morning.

We will address the issue of employment of Vietnam veterans, for the most part. As we know, programs of job training provided by the military services involve learning skills that are vital to the readiness of our Armed Forces. Those skills cover a broad field, from mechanic training to computer training, cooks, carpenters, typists, paramedics, and helicopter pilots. The list is virtually endless.

As a consequence, with the learning of the skills integral to the mission of our military, comes a measure of discipline under pressure and a sense of teamwork that keeps our troops the best in the world. Vietnam veterans, like their predecessors from other combat eras, left the service with the advantages of these skills ready to apply them back home in a civilian marketplace.

In addition, over 6 million Vietnam-era veterans have used VA education benefits and almost 140,000 service disabled Vietnam veterans received vocational rehabilitation.

The Veterans Employment and Training Service has established a nationwide network to assist job-seeking veterans. For some veterans, readjustment to civilian life has been difficult. To be responsive to these veterans, the Congress established programs targeting their unique needs. Those include 189 veterans readjustment counseling centers, veterans readjustment appointments, a 2-year extension of eligibility to use education benefits for vocational and on-the-job training, of course, the Emergency Veterans' Job Training Act.

Today the purpose of the hearing is to review the effect of that program as well as examine other employers' incentives recently

established by the Veterans' Administration to encourage employers to hire disabled American veterans.

In 1983, when the unemployment rate for Vietnam veterans was substantially higher than for nonveterans, the Congress responded with the enactment of the EVJTA, a temporary program, and I highlight temporary, to reimburse employers a portion of the wage costs of newly hired eligible veterans. I think that we can all take some pleasure in the result. As of this August, I am told, the unemployment rate for Vietnam veterans was at 4.7 percent, the same as the unemployment rate for male nonveterans of the same age.

Unfortunately, in some areas of the country veterans' unemployment is still too high. The American Legion sponsored a study that has demonstrated that combat veterans continue to pay a higher price for their service than their noncombat counterparts. In some areas of the country veterans do not enjoy the same low-unemployment rate as nonveterans, and that's a continuing concern. However, many of America's Vietnam veterans have achieved and play important and significant roles in the economy of the United States. However, we need to be sure that Vietnam veterans who are still seeking their place in the economy have the tools to reach and achieve their goal.

We look forward to the discussions today on this issue. In view of the many witnesses which are going to be before us, I am going to request that statements be limited to 5 minutes, and I intend to adhere to that. Your entire written statement will be made a part of the official record as if read.

I'm joined this morning by my colleague and the ranking minority member of the committee, Senator Cranston. He has a distinguished record for concern for the employment of both Vietnam and non-Vietnam veterans. I would recognize Senator Cranston at this time for his opening statement.

Senator CRANSTON. Thank you very much, Mr. Chairman.

Chairman MURKOWSKI. We have just been joined by my colleague, Senator Thurmond. Senator Thurmond, we wish you a good morning and look forward to you being with us. Senator Thurmond is President pro tempore of the U.S. Senate. Senator Cranston.

OPENING STATEMENT OF SENATOR CRANSTON

Senator CRANSTON. Thank you very much for those kind words. It's a pleasure to work with you on these many, many issues.

I'm pleased to join with you in welcoming all of our witnesses and guests for this morning's hearing on veterans' employment issues. During this morning's testimony we will be focusing particularly on the Emergency Veterans' Job Training Act of 1983, Public Law 98-77, and proposals to extend and modify the program conducted under that authority.

As the original Senate author of Public Law 98-77, along with the distinguished former chairman of this committee, Senator Simpson, and of the extension of the program enacted last year in Public Law 98-543, I'm intensely interested in this area. Indeed, in July, I joined with the distinguished chairman in offering an amendment that was approved by the Senate in the recently passed veterans' health bill, S. 876, to extend the period of time

that veterans have to enter training under this job training program. We look forward to enactment of that provision in the next several weeks.

During the consideration of that bill, the distinguished Senator from Massachusetts, Senator Kerry, who is with us this morning, focused further attention on this program by raising the possibility of his offering an amendment to reopen, modify, and extend the program and to authorize the appropriation of new funding. During the course of discussions with Senator Kerry, the Chairman agreed to schedule this hearing, and I'm pleased that this has been accomplished in such a timely fashion.

Likewise, I congratulate John Kerry for his initiative and persistence, and extend a warm welcome to him on the occasion of his first appearance before this committee. I've known John Kerry for many years and I'm delighted he is here in the Senate carrying out his efforts to help his fellow Vietnam veterans.

During Senate consideration of S. 876, I noted some concerns about the EVJTA Program and the proposal for an additional extension. In order to keep my opening remarks brief, I will not reiterate those concerns this morning. Instead, Mr. Chairman, I ask unanimous consent that my remarks be printed in the hearing record at this point.

Chairman MURKOWSKI. Without objection, that will be done.

[The following remarks were supplied for the record:]

Mr. CRANSTON. Mr. President, I am delighted, as the ranking minority member of the Committee on Veterans' Affairs, to join with the committee chairman [Mr. Murkowski] in urging our colleagues to give their unanimous approval to the pending measure, S. 876, the proposed "Veterans' Administration Health-Care Programs Improvement Act of 1985," as reported by the committee on July 8 as modified by the amendment offered on behalf of the chairman and myself. I will describe the amendment in more detail at the end of my statement.

EXTENSION OF PERIOD FOR ENTERING TRAINING UNDER THE EMERGENCY VETERANS' JOB TRAINING ACT OF 1983

Mr. President, I also want to make special mention of a provision in the pending amendment that would extend by 6 months—from September 1, 1985, to March 1, 1986—the period of time by which a veteran must enter a program of training under the Emergency Veterans' Job Training Act of 1983—EVJTA—in order for the employer to be eligible for payments under that act.

I was pleased to join as an author of EVJTA in the Senate with the distinguished former chairman of the Veterans' Affairs Committee and now assistant majority leader [Mr. Simpson]. As enacted on August 15, 1983, this law was designed to provide employers with incentive payments to defray training costs so that they would hire and train long-term unemployed Korean-conflict and Vietnam-era veterans. When first enacted, the law provided that a veteran desiring to participate would be required to apply by September 30, 1984, for a certificate of eligibility and to enter training by December 31, 1984. However, in recognition of the possibility that appropriations might not become available by September 30, 1984, the law included the provision I had proposed in the Senate bill establishing a tolling period. Under this mechanism, a veteran had until 1 year after the date on which appropriations were made available for the program to apply and until 15 months after that to enter training. Since funds were not made available to the VA for the program until November 29, 1983, eligible veterans had—at the outset of the program—until November 29, 1984, to apply and until March 1, 1985, to enter training.

Last year, Mr. President, in recognition of the delays inherent, in the startup of the new program, the Congress approved an extension of these dates. Thus, Public Law 98-543—derived in part from my bill, S. 2760—extended the date for applying for the program to February 28, 1985, and the date for entering training to September 1, 1985.

According to a recent evaluation of EVJTA—carried out under contract with and just released by the Veterans' Administration—more than 27,000 veterans have enrolled in training under the program with more than two-thirds receiving training in structural work occupations, machine trades, and professional/technical/managerial positions. Those who completed the program had an average hourly wage of $6.77. The completion rate for veterans in the program was estimated to be 44 percent and the direct cost of training per participant is estimated to be $3,000.

Although, given our enormous budget deficit problems, I have reservations about proposals to authorize the appropriation of additional moneys for this program—at least until the committee has had a full opportunity to hold hearings on the program and legislation to extend and revise it, I feel strongly that action should be taken as soon as possible to ensure that the funds that have already been appropriated for it—the full $150 million—are fully expended.

According to a May 6 letter I received from VA Administator Harry Walters, the VA estimates that as of September 1 there may be about $10 million remaining in unspent and unobligated EVJTA funding. At this time, we have no real ability to judge the accuracy of that estimate; it could be high or low depending on the rate at which veterans who have been certified as eligible for the program are placed in a training program.

Thus, in order to permit the funds remaining in the program to be used to assist unemployed veterans find productive jobs, the pending amendment would extend by 6 months—until March 1, 1986—the date by which veterans must enter training. This will permit additional time for the VA and the Department of Labor, which share the responsibilities for this program and for developing and placing veterans in training positions, to assist some of the most deserving veterans through the EVJTA Program. Based on the average per participant cost of $3,000, the remaining $10 million would mean training opportunities for 3,300 veterans.

Mr. President, it should be noted that those veterans who have been certified for the program, who are still unemployed, and who have not yet been placed in training under EVJTA are quite likely to have special problems in obtaining and retaining employment. Indeed, as the VA's evaluation of the program found, employers tended to select the most employable among the veterans certified for program participation. Thus, I want to make clear that the VA and the Department of Labor will need to strengthen their efforts to assist veterans under EVJTA during this extension and will need to explore ways to provide special types of assistance, particularly in the area of employment counseling and particularly to reduce the disturbingly high noncompletion rate. I intend very strongly to urge both agencies to do a better job in this area. In addition, since there is no limit on the time by which an employer must apply for participation in the program, I will also be urging both agencies to conduct an active employer outreach program so that job opportunities for veterans will be maximized.

Mr. President, I want to take this opportunity to congratulate the distinguished Senator from Massachusetts [Mr. Kerry] on his leadership on this issue and for his persistence in pursuing this matter. As coauthor in the Senate, with the distinguished former chairman of the Veterans' Affairs Committee and now the assistant majority leader [Mr. Simpson], of the Emergency Veterans' Job Training Act of 1983, I deeply sympathize with Senator Kerry's desire to make additional job training opportunities available for veterans, and, in this case, particularly for Vietnam-era veterans and service-connected disabled veterans.

As Chairman Murkowski has just said, we appreciate the Senator's cooperation in withholding his amendment at this time in order to give the committee an opportunity to conduct a hearing, both on his bill, S. 1033, and the House-passed legislation. H.R. 1408, and on oversight of veterans' employment issues generally. We have agreed to hold that hearing in September, as early as possible following the August recess period, and will work with the Senator from Massachusetts in developing an appropriate witness list to assure a full and fair presentation of the issues involved.

As the Senator has pointed out, H.R. 1408 as passed by the House would extend until December 31, 1985—the already expired February 1, 1985, deadline for veterans to apply for participation in the EVJTA Program and—until July 1, 1986—the September 1, 1985, deadline for veterans to enter into training. It would also—as Senator Kerry favors—authorize the appropriation of an additional $75 million for the EVJTA Program and modify the eligibility criteria. The provisions of the amendment Senator Murkowski and I offered and the Senate has just approved to S. 876 would, among other things, extend until March 1, 1986, the deadline for entry into training. Thus, EVJTA issues will be before us as we negotiate with the House the issues contained in the pending veterans' health-care measure, S. 876/H.R. 505, and H.R. 1408.

It therefore appears virtually certain that an extension of the period of time for entering training will be enacted shortly. This will enable those veterans with certifications to enter into training utilizing the existing appropriations balance of $10 million or more which will remain available for obligation under EVJTA throughout fiscal year 1986.

Moreover, as we stressed to the Senator from Massachusetts in our discussions yesterday, there will be another veterans' measure—dealing with compensation and education matters—in the fall. He will have full opportunity to offer his amendment at that point if the committee has not, pursuant to its hearings and consideration, decided to take action satisfactory to him.

By waiting until that time before changing any eligibility criteria or reopening the program to new participants, we would force the targeting of the program on truly long-term unemployed veterans, rather than opening it up—as the House-passed measure would—to new applicants. That is, indeed, one of the matters that I feel strongly we need to examine prior to taking more extensive action with respect to continuation or modification of EVJTA.

As I pointed out earlier in my opening remarks on the bill, the recent evaluation-carried out under contract with and just released by the VA—of the performance of the program has raised two particular areas of concern to me: First, the high drop-out rate for veterans who have been placed in training and, second, the finding that the program has tended to select the most employable among the certified veterans for program participation and that most participation employers would have hired the veterans without the possibility of reimbursement of training costs.

Also, the unemployment situation is very different from what it was in March of 1983 when I first proposed emergency job training legislation and our committee began working on it. The Vietnam-era unemployment rate was then 10.7 percent and the national rate was 10.3 percent. The comparable rates for June 1985 were 5.3 percent and 7.2 percent, respectively. The unemployment emergency as such has thus receded although the tragedy unquestionably continues for far too many, especially certain categories of Americans and certain categories of veterans.

We will certainly be examining these and other issues, such as those I outlined in my earlier remarks, through our hearings in September.

I intend to work closely with the Senator from Massachusetts and the distinguished chairman, Mr. Murkowski, as well as other committee members, on this matter and again thank Senator Kerry for his cooperation and his understanding of the position of the authorizing committee on this issue.

Senator CRANSTON. Before closing, I wish to note that it is certainly my hope that we will be able to reach some accord in this area. I share completely the continuing concerns about the needs of Vietnam-era veterans and Korean-conflict veterans who are jobless, particularly those who have been out of work for extended periods of time and who lack the skills necessary to compete in today's labor market in their communities.

I intend to continue to do all I can within the regrettably very tight budgetary limits facing us to ensure that we do all that is possible to meet the needs of those veterans.

Mr. Chairman, I look forward to the testimony of all the witnesses this morning, and in the event that I am unable to remain for the entire hearing, which is probable, I will be submitting questions in writing for the record.[1]

Also, Mr. Chairman, I have a statement by Senator Mitchell that I request be inserted in the record at an appropriate place. Senator Mitchell regrets that his schedule will probably prevent him from being with us this morning.

Chairman MURKOWSKI. Thank you. It will be so noted in the record. Thank you, Senator Cranston.[2]

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[1] See p. 239.
[2] See p. 51.

Senator CRANSTON. Thank you.

Chairman MURKOWSKI. It's a great privilege at this time to introduce for an opening statement, my colleague, Senator Thurmond.

Senator THURMOND. Thank you very much, Mr. Chairman.

OPENING STATEMENT OF SENATOR THURMOND

Senator THURMOND. I, too, would like to welcome the distinguished witnesses who have come to testify on the Vietnam-era veterans' employment issue. This is a subject of extreme importance and one which needs to be dealt with accordingly. Unfortunately, a prior commitment will prevent me from hearing your testimony this morning, but I shall look forward to reading it.

This Nation owes a great deal to its veterans, especially those who have witnessed firsthand the tragedy of war. We pay our debt and show our gratitude to them in a number of ways. We provide health care and rehabilitation. We offer aid to families and provide compensation when warranted. We allow for assistance in education and in the purchasing of homes. In general, we attempt to provide our veterans with an opportunity for a smooth transition from military to civilian life, and a status level in our society nothing less than equal to that of nonveterans. For the majority of veterans the most important factor in assuring a smooth transition is their ability to be gainfully employed, and that brings us to the subject of this hearing.

Not too long ago this country saw a Vietnam veterans' unemployment rate well above that of nonveterans the same age. Programs were instituted to address the problem. Today, I am happy to say that as a result of concerted efforts on the part of agencies such as the Veterans' Administration and the Department of Labor, and the overall strengthening of the economy, the unemployment rate of our Vietnam veterans has dropped below that of their nonveteran peers. We can be pleased with this success, but we cannot forget that there are men and women who donned uniforms in the service of their country and in the name of freedom, and yet who are today without work.

This morning we will hear testimony on the Emergency Veterans' Job Training Act (EVJTA), which technically expired on September 1. We appropriated funds for the program in the 98th Congress and it is my understanding that approximately $17 million are still available. The "emergency" may be over, but unfortunately there are veterans who applied for the program before the application deadline who have yet to be employed. A commitment was made, and I feel that we should stand by it. It is my opinion that we should extend the deadline for beginning an employment training program so as to continue to give those veterans who applied on time a fighting chance. I also believe that if the existing level of funds is greater than that which can be used for the veterans who have already made application, serious consideration should be given to allowing new applications to be made.

Budget constraints affect nearly all Federal programs today. However, Congress and the administration along with employers across the country need to do everything possible to help our veterans lead productive civilian lives.

Thank you, Mr. Chairman.

Chairman MURKOWSKI. Thank you very much, Senator Thurmond.

Before I call the first witness, I would like to make sure that we're generally reading off the same set of facts. It is my understanding that when this program was originally funded, about $150 million was appropriated. We are today at a point where there is approximately $20 million left. The program, in effect, has terminated as of the first of September. We have at our disposition the flexibility of making a determination of what to do with the additional $20 million.

However, the VA did not request funding in the 1986 fiscal year budget, and as a consequence, there are no funds in the 1986 fiscal year for the program.

So that's more or less where we are at, and if any of my colleagues have any point of clarification to make, it would be appropriate to do so. I just wanted, Senator Cranston, to make sure that we understand that we are discussing a very important program but the realities of where we are dollarwise need to be brought out front.

Senator CRANSTON. Yes, there are severe dollar problems. The VA, I guess, has never requested funds for this program. That's been done by us.

Chairman MURKOWSKI. As I indicated in my statement, that's correct.

Senator CRANSTON. And as far as termination, it is terminated now for new entrants but continues for those that are already training under the program.

Chairman MURKOWSKI. That's our proposal. I think we have kibitzed enough up here. We are ready to proceed with the witnesses.

It is indeed a great pleasure to welcome our colleague, the Junior Senator from Massachusetts, Senator John Kerry, who has been very active in this area for our Vietnam veterans. You're always a Vietnam vet, not a former Vietnam vet.

Senator CRANSTON. Mr. Chairman, can we clarify one thing? I think that for people that got in training before September 1, there still is a program for them. What we have now is a bar on new entrants, isn't that the case?

Chairman MURKOWSKI. That's correct, the training of an individual who entered his or her program before September 2 will be funded until the training ends.

We look forward to your testimony today very much. Your concern, Senator Kerry, has brought about this review of the job training program and reexamination of its status. We're most appreciative of that. I join with you and others who feel that the program has been most beneficial.

I might indicate that some of the concerns are related to the unemployment difficulties of Vietnam veterans which seem to be much higher for the combat related veterans' as opposed to the noncombat. But we can get into that perhaps in some of the questions after your presentation.

So I welcome you to the committee.

I also would like to note the presence of John Rockefeller. This is an opportunity for you to prevail in seniority on your colleague, if you have an opening statement, Senator Rockefeller.

Senator ROCKEFELLER. Rare, indeed, Mr. Chairman.

Chairman MURKOWSKI. Well, you just barely made it. This is customary, Jay, that we always recognize our colleagues, assuming they get in before the witness, and you almost didn't make it.

OPENING STATEMENT OF SENATOR ROCKEFELLER

Senator ROCKEFELLER. In fact, Mr. Chairman, I want to not only praise you, as I always do, but also I want to praise John Kerry, because I have a feeling that we wouldn't be here today if it were not for him. He has been pivotal in making sure that this program was extended and that its type of assistance for our veterans remains a possibility. I happen to be a cosponsor of the bill which he is sponsoring. I'm very proud to be that. I believe the program should be continued, Senator Kerry. Your Senate bill 1033 would not extend it indefinitely. It would continue it for a reasonably limited time. And the bill would provide a certain amount of money but not an overwhelming amount.

Some people say, well, the times are better, more people are working. That does not happen to be true for the State that I come from. Times may be a little bit better, but we still have double digit unemployment. We have 70,000 Vietnam veterans in our State. We will hear from someone today about our particular version of this program, which has worked very well. He will testify to that later on. Almost 6,000 applied for job training assistance from the program. 440 were actually hired through the program. $1½ million was provided to employ veterans who were anxiously wanting to work, and thus, are now working. It worked out very well. Our people have oversubscribed, if anything.

Now, we can have an aggressive program in the State. When I was Governor, Senator Kerry, we put in tax incentives for employers, we had around-the-State meetings for employers to tell them about the program—we encouraged them. I had a dinner at the Governor's mansion to encourage employers to participate. But, nevertheless, it was Federal money, a lot of it. The employers shared it, of course, but it was a good program. And it had a chance of dying. Last year you made sure that it didn't. And I want to be here, one, because I'm the Senator from West Virginia; two, because I'm honored to serve my chairman on this committee, and, third, because we in West Virginia are enormously grateful for this program and have benefitted by it, and we are in large measure grateful right now to you. End of testimony.

Chairman MURKOWSKI. Thank you very much, Senator Rockefeller. We appreciate that concise statement and look forward to your continued participation in the hearing this morning.

I would now formally call on Senator Kerry.

STATEMENT OF HON. JOHN KERRY, A U.S. SENATOR FROM THE STATE OF MASSACHUSETTS

Senator KERRY. Thank you very much, Mr. Chairman. Needless to say, I am delighted that my colleague succeeded in getting here in time for that opening statement.

Chairman MURKOWSKI. I had read his opening statement.

Senator KERRY. He's going to accuse me of having written it, Mr. Chairman.

Mr. Chairman, I am very, very appreciative for your holding this hearing and I want to thank my colleague and long-time friend, Senator Cranston, who ever since I first came to Washington as a veteran has been in the forefront of efforts to try to respond to the needs of Vietnam veterans as well as all veterans. I am extremely appreciative of this committee's efforts to be responsive to the needs of veterans. The last thing this committee needs are a lot of reminders about obligations to those who have served. While in my formal testimony there are, indeed, some references to that, let me try and avoid that in just talking to you about why this step is important. I will merely summarize my testimony with your permission, Mr. Chairman, submitting it for the record, and try, to be brief and to let my colleague veterans who are here, many of whom are working in these programs and who have a much more indepth and personal understanding of it than I, relate to you their feelings about it.

I think there are really two critical issues here. One is the real problem of how you get people employed who are underemployed or difficult to employ who are also veterans at the same time. That is a special problem. Frankly, Senator Rockefeller's explanation of why it worked in West Virginia is exactly what I think a lot of us are trying to get at with respect to our desire to see this program extended. This program has worked where you have an aggressive commitment to it, where you have a Governor or someone who will make that effort to get employers involved for whom there otherwise may be a perception that the available funds are somehow difficult, that dealing with the Federal Government is difficult. They fear the bureaucracy even if it isn't there even if it is easy. And there's a resistance. In addition to that there are just a great many employers who never hear about it, they don't even know it exists, let alone veterans who don't know it exists.

Now, I will grant you the title of this bill is Emergency Job Training Act. But emergency can be defined in a lot of different ways. I don't think emergency is simply defined by the fact that veterans employment may be dropped or now may be even with male unemployment in other areas.

And that goes to the second issue that is at stake here. I almost certainly don't have to remind anybody here, that no group of veterans has felt the sting of perceived broken promises more than Vietnam veterans. That is history and I am not going to belabor the point. But it seems to me that if the U.S. Congress authorizes a $300 million sum, there is in that authorization and in the enactment, in the words of President Reagan when he signed it, in the floor debate and statement of many Senators, there were even Senators, I believe, on this committee who at the time thought it ought

to be an entitlement, that there is incumbent in that another promise to a generation of veterans. We're going to do something about your problem, we recognize it, it is a real problem. And the Congressional Record is replete with countless statements acknowledging the existence of that problem, and the reason why the Congress was responding. Why? Because there was an acknowledgement of the years of being in the desert when they simply weren't acknowledged as having a problem, let alone having a response to that problem.

So, there is a $300 million promise. Lo, and behold, 18 months after the program is up and running, which is a short time for any program to begin to be put into place and really function effectively, we're talking about getting rid of it. And if you look at the rate of improvement, I'll grant you there have been a lot of dropouts, sure there has. But we're not talking about the guys who came back from Vietnam with the lesser degree of difficulties in getting employed; they are employed. They have been part of the mainstream of America for a long time now. We're talking about the folks who have had the greatest difficulties, whether it was combat related or whether it was simply dislocation, or whether it was simply the loss of those years where their peers got ahead of them because they stayed here and were employed and worked in an economy that was in a different cycle while they were serving and then got left behind and got caught in the cycle of unemployment.

But we've noticed that in the last months of the program there has been an increase in their employability. I think the ratio has become something like 1 to 5 employed. And those who have been employed are earning 86 bucks a week more than people who do not go through this program, which is somewhere $4,000 or so a year or more, and there is clear evidence, at least by a number of studies, which I would like to submit for the record and not go into great detail, but there is one by Prof. Jim Bordieri of DePaul University who found that employers have significantly, and I am quoting it, "significantly lower recommendations to hire the Vietnam veteran rather than a non-Vietnam veteran when both applicants were judged equally qualified for the job."

He reported in the Journal of Applied Social Psychology last year that a negative bias has existed concerning employment of Vietnam veterans. This apparent difficulty in obtaining employment may be construed as a hardship in reentry and readjustment to civilian life.

He goes on to cite familiar, similar studies which document that, and I'd like to submit that, if I may, Mr. Chairman, for the record.

Chairman MURKOWSKI. It will be entered into the record.[1]

Senator KERRY. Thank you. I also wish to draw the attention of the committee to a report prepared for the California Employment Development Department regarding veterans employment and training, issued a year ago in August, which found that Vietnam veterans are unemployed on the average of almost 1 year, and that is 31 weeks longer than the national average for all unemployed persons.

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[1] See p. 191.

And it concluded, Mr. Chairman, that many Vietnam veterans have experienced prolonged periods of unemployment and simply have been unable to pursue their career goals. It also concluded that Congress should extend the EVJTA for an additional 3 years, through 1988, because the program is scheduled to terminate before a majority of veterans ideally suited for EVJTA job openings will be able or prepared or ready to participate.

I ask, Mr. Chairman, that that study also be entered into the record of the hearing.

Chairman MURKOWSKI. It will be entered into the record.[1]

Senator KERRY. Thank you. So, Mr. Chairman, the real issue here is, it seems to me, is the program working? Are there improvements in the program that will make it work better? Do we accept the obligation to try to define emergency in a way that recognizes the particular difficulties facing Vietnam veterans and the particular series of promises which I believe, not only as a veteran but as a public official, have been made to that generation of veterans. And I would cite the words of Senator Dole, who has said:

> We find ourselves perhaps differing on the Vietnam War itself * * *. We find ourselves in total agreement on adequate treatment of veterans who returned from Vietnam whether they be handicapped or not. If they honorably served their country, then I think our commitment should be clear * * *. If it costs extra money, it costs extra money. If we have to appropriate more money, we have to appropriate more money, but I believe in the long run that is a net gain for the Government of the United States.

And I would say to this committee, that if we hope to attract people to the service, if we want to instill the kind of relationship between Government and individual as well as between military and soldier that is essential to our ability to be strong and to be able to defend ourselves and have the kind of military that we need, we must fulfill these kinds of obligations and promises and make certain that another generation does not say, wait a minute, Uncle Sam may want me but only when he seems to want me and not when I'm in need. And I think that is the distinction.

Thank you very much, Mr. Chairman.

[The prepared statement of Senator Kerry appears on p. 53.]

Chairman MURKOWSKI. Thank you, Senator Kerry. I think that you have certainly highlighted the program and your conviction that its work is yet to be totally accomplished, and I think the figures that you have submitted bear that out.

For the record I would like to again make reference to my understanding that while there were $300 million authorized, only $150 million was actually appropriated.

The determination of congressional intent from a comparison of authorization and appropriation is something that we all have a little problem with from time to time. The fact remains that currently we can address the problem, or the opportunity, in two ways: One, the disposition of the approximately $20 million remaining in appropriated funds for the balance of this fiscal year, or consideration of supplemental funding to continue the program if that is the wish of this committee and the wish of the Congress.

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[1] See p. 198.

I think that you have highlighted your recommendations that the program, indeed, has been a worthwhile one and should continue. The VA evidently thought otherwise or they would have come up with a recommendation for funding in 1986 fiscal year. My intent in this litany is simply to make sure that we are all reading, again, off the same program.

I wonder if in your opinion, Senator Kerry, since you spent a good deal of time reviewing makeup and statistics, that (a) we couldn't first agree that indeed the program has been successful in view of the comparative statistics which indicate that unemployment among Vietnam veterans is now about similar to other non-veterans.

Senator KERRY. Well, I think the program has started to be successful.

Chairman MURKOWSKI. That seems to be the indication from the figures that I have.

I'm wondering if it would not be appropriate to consider the makeup of the remaining Vietnam-era veterans to see if it is worthwhile trying to refund the program, and zeroing in on a special class of remaining Vietnam veterans rather than just opening it up to all veterans of the Vietnam era. The question being: Are you going to get full funding to continue to operate the program as it was initially established? What I am referring to specifically, Senator Kerry, is that the figures I have been given indicate that only 2 million of the more than 9 million Vietnam-era veterans who are eligible for the program actually served in Vietnam. A smaller number saw combat. Yet a study done by the American Legion in conjunction with Columbia University found that the combat veteran, the combat Vietnam veteran suffers the greatest economic disadvantages of the Vietnam-era veterans.

Now, I ask you, as one who served in that era, is it better, in your opinion, to try and zero in on the combat Vietnam veteran with the remaining funding of $20 million? We don't have much; it isn't going to go very far.

Senator KERRY. I can understand.

Chairman MURKOWSKI. And come in with a supplemental request and zero in on a segment of the veteran population or try and just take the whole ball again?

Senator KERRY. Well, Mr. Chairman, your question is well put and it raises a significant number of issues, the first of which is that, I think, that an awful lot of my fellow veterans would join me in saying to you that the fact that the VA did not ask for something has never in the course of our needs been a statement about whether or not those needs were being met.

Chairman MURKOWSKI. The Chair would concede that.

Senator KERRY. Second, there is no question but that there were about 2.9 million men and women who actually served in theater of which less were in frontline combat, obviously. But there is a problem with drawing the distinction, which I'm wrestling with because it raises——

Chairman MURKOWSKI. OK. Why don't you wrestle with it for a moment, because Senator Specter has asked if he could just make a short statement because he has got to run, and I'd like to accommodate him if I can.

Senator KERRY. Absolutely, please.

OPENING STATEMENT OF SENATOR SPECTER

Senator SPECTER. Thank you, thank you very much, Mr. Chairman. I have to be at a few other places. I have to be at Judiciary for a forum.

First, I commend the chairman for convening these very important hearings, and I commend Senator Kerry for very enlightening testimony. He has a great deal to offer. I would just ask leave of the chairman to submit certain questions to the record to some of the witnesses who will be coming later. Thank you, Sir.

Chairman MURKOWSKI. Thank you very much. You will have the opportunity to submit your questions for the record.[1]

I apologize for the interruption.

Senator KERRY. I'm delighted. I thank my colleague for being here. I know how busy he is. Thank you very much.

Mr. Chairman, a lot of us have talked about that issue for a long time. There isn't any doubt but that the combat veteran is the veteran who is having the most difficulty. Statistics will bear that out, the least employed, the most subject to alcoholic, drug problems, other kinds of problems.

The problem is that if you begin to draw distinctions and set up a class within the military process as to who gets what benefits or does not, you make it, I think, very very difficult with respect to the value of service. The old saying, "They also serve who stand and wait." People serve in many different ways. To say that the person, that somehow you're going to get a different set of benefits by virtue of having been shot at rather than having made the bullets or supplied them, carried them, whatever, is to create some real problems within the military structure. I would be tempted, therefore, to say to you that I think a service is service. It is time away from home; it is time away from careers in the private sector.

I think that it is more important to us to recognize the value of that service as a whole than to begin to try to draw a distinction which even create problems within the veteran community. And that would be my quick response to you with respect to that.

I think the amount of money that we're talking about and the greater value to the country of responding appropriately really mitigates against trying to get into the hassle of drawing those class distinctions.

Chairman MURKOWSKI. In your testimony, you used the word "emergency." In view of the rates of employment being somewhat uniform now, between the Vietnam veteran and the non-Vietnam veteran, how do you justify the emergency?

I assume we're zeroing in now on what we both understand is to be a Vietnam veterans' job training program.

Senator KERRY. Absolutely, Mr. Chairman. I think the emergency is defined in a couple of ways, and I think I touched on it in my testimony. Perhaps, No. 1, most people who served in the U.S. Armed Forces in one capacity or another ought to be able to be employed. After 2 years or 3 years or 4 years of service in one disci-

[1] See p. 286.

pline or another in one of the various job categories in the military, these people ought to be able to be employed in the United States.

Chairman MURKOWSKI. I do not disagree, but assuming that the rates are the same between the veteran and nonveteran, we don't have a program for him.

Senator KERRY. Correct. Well, the point I'm making is that the ratio is misleading, therefore, because I think you have a more employable group of people. Of that employable group of people 4 percent represents a different kind of problem than 4 percent of the general population who may not have the skills of those who held jobs within the military for those 2 or 3 years. That's the point I'm making.

Chairman MURKOWSKI. Well, I don't think you're comparing the same group that I am, though. I am comparing the non-Vietnam veteran with the theater veteran and I am told that the figures on employment are now about the same, for the first time, which proves that this program has been worthwhile.

Senator KERRY. I am comparing those two groups.

Chairman MURKOWSKI. All right.

Senator KERRY. I am saying to you that because you had someone, the person in the 4-percent veterans unemployed group is someone who has held a job being in the military; it is someone who has been trained in some discipline, in some job category within the military. The 4-percent general population individual is often someone who has never had a job or held a job for a matter of days or has less skills, reading skills, a less employable person. So what you're really doing is comparing two different populations. That is the first part of the definition problem.

The second part is that I would define the current 4 percent as the most significant part of the emergency.

Chairman MURKOWSKI. I would like to correct perhaps a misconception. I am comparing Vietnam veterans with non-Vietnam veterans; not the general nonveteran.

Senator KERRY. You're comparing it with a non-Vietnam veteran within the military?

Chairman MURKOWSKI. I am comparing within the military, the Vietnam veteran with the non-Vietnam veteran.

Senator KERRY. I understand what you're saying.

Chairman MURKOWSKI. I want to make sure we understand it. The figures that I have, show that for the first time, the Vietnam veteran is approaching an unemployment rate comparable to a non-Vietnam veteran, not a nonveteran.

My question to you is, If indeed the program has reached the point where the figures are comparable, then is there an emergency?

Senator KERRY. Well, I believe that rises to the second level of concern that I expressed, that I was about to express, which is to me an emergency. Each person is going to define their emergency in their own context, obviously. It's possible, Mr. Chairman, you won't view that as an emergency. I think it is because I believe those people are employable, because they have been too long unemployed, regardless of whether they are 4 percent or 2 percent, and because we have an obligation, unfulfilled as yet, to do our

best to help them to be employed, and fourth, because I don't think any level of unemployment is acceptable.

I don't think we should sit here and say, OK, we've got 4 percent, that's fine, we've done our job. When we have a program, whether we define it as emergency or not, that works, that gets people off unemployment, which provides them with $86 more a week in their earnings, which enhances our long-term competitive posture, I think it's a program we ought to go for.

Chairman MURKOWSKI. Well, I don't disagree by any means. I am not expressing my opinion. I'm obviously looking for enlightenment from you as a witness. I have an obligation as chairman of this committee because of the fiscal realities that exist around here. We're just not going to be able to do everything for everybody as we would like to do. It would be nice if we could do that. The realities facing this committee are that we are going to have to make some tough decisions on what to do with approximately $20 million remaining and whether to try and go in for some kind of a supplemental to address the issue of job training for Vietnam veterans.

Now the realities demonstrate there was a significant need recognized by this committee and Congress to set up a job training program for Vietnam veterans. It had a time limit on it based on a couple of formulas which I don't think we have to go into. Progress has been made because when we started out with this program the unemployment among Vietnam veterans was much higher.

Now the question is, Do we try and zero in on the basis of need? I understand that raises the hackles of many of the service organizations because it begins to pick veterans individually.

But this program was created because of the needs of a special kind of veteran, a Vietnam veteran, who this country has not handled appropriately, which is certainly an understatement. So a need was there.

Now we're down to a timeframe where we have less funding and we have a program that has been successful. We still have some Vietnam veterans with identifiable needs within the Vietnam veterans' group. The question before the committee is should we try and pick out those with the greater degree of need within that group, which you've indicated you don't approve of, you want to keep it open to all; or should we go in for a carte blanche to the Appropriations Committee and take what we get. Obviously we got half of what we authorized last time, so there may be a message there, there may not. I'm not drawing any conclusions. I'm just throwing it out.

Senator KERRY. I hear you, Mr. Chairman.

Chairman MURKOWSKI. I have no more questions. I think Senator Cranston has several.

Senator KERRY. Mr. Chairman, could I just say one quick thing under that. I absolutely appreciate what you're saying and I, needless to say, share with you the pressures with respect to the budget in one way or the other. But I think the case can be more than simply made, that can be extremely strongly put, that while Vietnam veterans remain in any level of unemployment, measured against other veterans or not, because of the series of restrictions or distinctions that existed, started on day one, amount of money versus Korea, lack of books and living allowance versus World War

II and Korea, host of differentials from day one when they returned, I believe that is an emergency because it is part of our appropriate clearing up of a problem which was created over some 15 years with respect to the Vietnam veteran. I think, to me, until that obligation is fulfilled, it remains part of an emergency for the reasons that I stated.

Chairman MURKOWSKI. Do you really feel that we will ever fulfill the obligation to any veteran?

Senator KERRY. Yes; I do, I really do. I think that, well, let me put that in its proper light. No Vietnam veteran is ever going to erase the initial scars of their return to this country. No parades in this city, no thank yous from the President, no memorials will ever totally do that.

Have we gone a long way toward reaching out to do that? Absolutely. Do veterans feel an awful lot better than they did a few years ago? Absolutely. Has the country tried and appropriately to make up for that? Absolutely. And I think much has been done to improve that relationship and I think Vietnam veterans all over this country would tell you that they feel better about their relationship with the country and vice versa and they feel better about themselves as a result. But there will always be a gap.

Chairman MURKOWSKI. Senator Cranston.

Senator CRANSTON. First, I want to thank you for your very eloquent and thoughtful testimony. It was refreshing to have that come extemporaneously from your heart and your head. I appreciate your good remarks about what I and this committee have done on this problem, and I look forward to working with you and with the members of the committee to see what we can now do.

It's plain that this program has played a part—it cannot claim total responsibility—but it has played a part in the nicer figures we now see on unemployment as it affects Vietnam veterans. If we terminated the program we would have to expect that there would be some, at least, slight rise in those figures. So I look forward to working with you to see if we can find an appropriate way within our budget constraints to continue to be helpful. Thank you very much.

Senator KERRY. Thank you. Mr. Chairman, I would like you to know that while I expressed an opinion, I am absolutely open to trying to work with the committee, and I am sure my fellow veterans are, to see if there is a way to define this to reach people of need. I think, though, that we would sure like to see if we can do the other.

Chairman MURKOWSKI. Thank you very much, Senator Kerry.

Senator KERRY. Thank you.

Chairman MURKOWSKI. Do you have any questions, Senator Rockefeller?

Senator ROCKEFELLER. No; I don't.

Senator KERRY. Thank you.

Chairman MURKOWSKI. We will proceed with panel 2. We'll hear from Donald Shasteen, Assistant Secretary for Labor for Veterans' Employment and Training; and John Vogel, the Chief Benefits Director of the Veterans' Administration.

Mr. John Hagan, the Deputy Chief Benefits Director, is with us today. Mr. John Vogel, I am told, has a commitment over in the House. Hopefully you have drawn the better of the two choices.

Senator CRANSTON. Mr. Chairman, I would like to welcome Don Shasteen in his new role as Assistant Secretary, elevated from the deputy role. This is your first appearance before the committee in that capacity and we are delighted to have you with us today.

Mr. SHASTEEN. Thank you very much.

Chairman MURKOWSKI. I would certainly share in that, Senator Cranston. We do welcome you both and look forward to your comments, recommendations, and testimony with regard to the question that is before us today. Please proceed, Mr. Shasteen.

STATEMENT OF DONALD E. SHASTEEN, ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING, DEPARTMENT OF LABOR, ACCOMPANIED BY JOSEPH JUAREZ, DIRECTOR, OFFICE OF VETERANS' EMPLOYMENT AND TRAINING PROGRAMS

Mr. SHASTEEN. Mr. Chairman, Senator Cranston, Senator Rockefeller, I'm going to be very brief. To follow such eloquent presentation as you've just had is most difficult. I have submitted a 34-page statement which gives a complete overview on all of our programs and where they stand today. Most of what I had in my summary has already been covered here, but I would say that while the picture has improved considerably for veterans as a whole, for those 328,000 Vietnam era veterans still unemployed, as well as for all the other unemployed veterans, the employment picture is not so rosy.

Mr. Chairman, I want to assure you and members of this committee, and especially those veterans not yet working, that a job or training opportunity leading to a job is within reach. In the first 6 months of program year 1984, the period from July 1, 1984 to December 31, 1984, the job service, employment service working with our nearly 2,000 disabled veterans outreach program staff, and some 1,400 local veterans employment representatives placed over 136,000 veterans in jobs and provided counseling to more than 102,000 veterans.

In fiscal year 1983 more than 443,000 veterans were placed in jobs by these same staff members that we fund who work for the State employment service in every State.

Under the Emergency Veterans Job Training Act we have played a major role in the placement of some 36,000 Vietnam era and Korean veterans in on-the-job training positions. Those are Veterans' Administration figures. Our field figures that we receive from the Job Service in each State, we've been tracking weekly, shows somewhere in the neighborhood of 39,000, close to 39,000 have been placed in jobs. The paperwork process, the VA usually follows our numbers by two or three thousand.

I must also make mention I feel the Targeted Jobs Tax Credit Program in fiscal year 1984, 29,000 economically disadvantaged Vietnam-era veterans were hired under this program. Our Job Training Partnership Act, Title IV–C program has also provided many job and training opportunities for Vietnam-era recently sepa-

rated and disabled veterans. With approximately $9.7 million in program year 1984 we funded 82 grants through a competitive process and received a cash match or in-kind contribution of approximately $11 million. While the results are not all in, we planned to serve more than 19,000 veterans including placing of 5,000 in jobs.

My written statement contains considerably more detail on this program.

A program too long neglected, the Federal Contractor Job Listing Program, will become our No. 1 priority in fiscal year 1985. I'd like to see an increase of 25 percent in the number of FCJL jobs listed with the Job Service and corresponding increase in veterans placed in those jobs. I'd like to make one correction. That's fiscal year 1986. We started it in 1985 and it will be our priority in fiscal year 1986 starting October 1.

In closing, I'd like to call attention to three initiatives which I think will be of great benefit to the veteran community. They are what we call the Colorado Project, which is a partnership between the Job Service and the major veterans' organizations, the Department of Defense and the Department of Health and Human Services, other Federal agencies in Colorado. The first part of that project, the first element, is to deal with the problems of the homeless. There are many veterans among the homeless street people in every major city and we found an especially high number in Denver. The Colorado Job Service agreed to take on that project in cooperation with all of the Federal Agencies that have a responsibility not only for the homeless but especially for veterans.

We have a second project which we call the VA-DOL Counseling Assessment Project and that is one where we are endeavoring to develop better linkages at the local level with counselors who are with the VA, plugging them into our Disabled Veteran Outreach Program Specialists, our Local Veterans' Employment Representatives in the local Job Service Office to increase the occupational counseling that is available to veterans who are out of work.

Finally, a Separation Briefing Program that we have a pilot project underway in North Carolina on. It is an attempt to use the Job Training Partnership Act, tie it in with the Job Service to do a better job of servicing the employment needs of recently separated veterans. Under the Job Training Partnership Act we have responsibility for Vietnam era, disabled, and recently separated veterans.

That is where we begin to get into what I like to deal with very much and that is cost effectiveness in how we reach out, first from a humanitarian standpoint. We want to get people coming out of the military service into civilian jobs, readjusted to civilian life as quickly as possible, and we are stepping up that effort with a pilot project in cooperation with the Department of Defense. And it is cost effective for the Department of Defense because if after 4 weeks people coming out of military service do not have a civilian job, they can begin drawing unemployment compensation for a period of 13 weeks. This year the Department of Defense estimates it will be spending $178 million in unemployment compensation for 114,000 recently separated veterans.

If we can reach those veterans a little bit ahead of time, instead of just having 10 minutes with them the day they are mustered

out, if we can reach them a couple of months ahead of time and get them to start focusing on what it requires to get a job in civilian market, how their military skills relate to skills that are needed in their home communities and their home States and elsewhere in the country, get them to sort of go back to that old tradition of not leaving one job until you have another one, we find that from a pilot program that we ran in California several years ago that a number of those people coming out of military service will reenlist when they find out the realities of the civilian job market. Those who don't will be much better prepared to go to work quickly when they come out. And we feel that we can save the Department of Defense a substantial amount if we can just reduce by 1 week the length of unemployment, the average length of unemployment compensation that is drawn by those recently separated veterans.

The average now is 11 and 12 weeks. In a 13-week entitlement, a 1-week reduction in that average would save the Department of Defense in the neighborhood of $18 to $20 million. That's the kind of things we're endeavoring in these three projects.

With that, I would open it to questions.

Chairman MURKOWSKI. Thank you, Mr. Shasteen. Mr. Hagan.

[The prepared statement of Mr. Shasteen appears on p. 64.]

STATEMENT OF JOHN HAGAN, DEPUTY CHIEF BENEFITS DIRECTOR, VETERANS' ADMINISTRATION, ACCOMPANIED BY C.L. "LEW" DOLLARHIDE, DIRECTOR, EDUCATION SERVICE; AND DENNIS WYANT, DIRECTOR, VOCATIONAL REHABILITATION AND COUNSELING SERVICE

Mr. HAGAN. Thank you, Mr. Chairman, and Senator Rockefeller. I am pleased to be here today to provide you with information about our administration of the Emergency Veterans' Job Training Act of 1983, and also the program of Special Incentives for Employers under chapter 31.

Since the enactment of EVJTA in August 1983 the Veterans' Administration through September 3 has close to 36,000 veterans placed in jobs. Nearly $123 million have been obligated through the same period. We also now have 55,000 employers participating or who have indicated a desire to participate in the program.

The employment situation for veterans has improved significantly since August 1983. The unemployment rate for Vietnam-era veterans in the 35-to-39 age category was 6.2 percent. By August 1984 the rate had dropped to 5.4 percent, and by July 1985 the unemployment rate was at 5 percent.

Mr. Chairman, I would like to say a few words about the report of the Centaur Associates. This is actually the third report or evaluation of the program that has been submitted as called for by the Senate Committee on Appropriations. The first interim report was done by the Veterans' Administration. The second report, dated May 1984, was prepared by Centaur. This report addressed the conduct of training under EVJTA from the beginning of the program through April 1984. The third report, May 1985, also prepared by Centaur, documents the evaluation of the overall operation and impact of the program. A fourth report will follow in December of this year, and a fifth report in September 1986.

The third report has indicated that the program has been well managed by both the Veterans' Administration and the Department of Labor. Centaur also says nearly two-thirds of the participating veterans have been trained in structural work occupations, machine trades, professional, technical, or managerial occupations. According to the report, the average salary was $6.41 per hour. Those veterans who completed the program averaged about $6.77 an hour. The majority of the employers, it turns out, are small companies, nonunionized companies, and companies in the manufacturing, services, construction, or retail trade sectors. The study estimates that the average direct cost of training is $3,000.

We were pleased with some of the findings in the specific area of program administration. One such finding was that the potential problems that could result from a program with responsibility and authority distributed across several organizations and agencies did not exist. Employers found that to participate in the program did not prevent them from being able to hire Vietnam-era veterans readily. There was very little paperwork and redtape involved in the program.

The majority of employers indicated that they would have hired the veterans with or without the availability of training cost reimbursement. The Centaur report does indicate, however, that it was not clear that employers would have been successfully matched with veteran trainees without their involvement in EVJTA. In this regard, and perhaps not surprisingly, employers reported that the training cost reimbursement provided the most powerful incentive to apply for approval of a training program under EVJTA.

When requested, the VA furnishes employment counseling services to assist veterans eligible under the program in selecting suitable jobs. We have provided employment counseling services to over 22,000 veterans through June 1, 1985. As a part of this review, VA staff determines if a veteran with a service-connected disability evaluated at less than 30 percent may, nevertheless, have a serious employment handicap. Where it is discovered that the veteran has a serious employment handicap, the veteran is entitled to 15 months of training rather than the 9 months otherwise provided.

Almost 2,800 veterans were contacted and advised of their potential eligibility for services under chapter 31. These contacts resulted in 932 applications for services. Currently, 174 of these veterans are receiving services under chapter 31.

Mr. Chairman, in addition to updating the committee on EVJTA, you asked that we include information regarding the provision of incentives to employers to hire service-disabled veterans who have completed their training under chapter 31.

This program is targeted for veterans who meet the general requirements for employment in their chosen field but have nevertheless been unsuccessful in gaining employment. Only employers in the private sector may participate in this program.

Since we have issued instructions and have only been recently involved in this program, we do not as yet have any data regarding the program utilization. We believe this program fills a real need and expect that it will aid us in placing disabled veterans in suitable employment.

Mr. Chairman, that concludes my statement, and I will be happy to answer any questions you or other members of the committee may have.

[The prepared statement of Mr. Vogel appears on p. 98.]

Chairman MURKOWSKI. Thank you very much, Mr. Hagan. I have a series of questions and I'd like to move right along so I would appreciate a degree of brevity in your answers.

What is the specific relationship between the Department of Labor and the VA for handling the funding? Does it come in from the VA and is then turned over for implementation to the Department of Labor, or what? Can you give us a quick rundown, please? Either one of you.

Mr. HAGAN. The funding remains with the Veterans' Administration.

Chairman MURKOWSKI. They turn it over to you, and you implement the program?

Mr. HAGAN. Yes.

Chairman MURKOWSKI. What percentage of the appropriation do you take for operation of the program?

Mr. HAGAN. Our operation expense is somewhere in the neighborhood of 2.9 percent.

Chairman MURKOWSKI. So you take 2.9 percent for overhead, is that right?

Mr. HAGAN. Well, that is the general operating expense for the department.

Chairman MURKOWSKI. I know, but what does it cost you to administer this program?

Mr. HAGAN. We were not given any funding for administering——

Chairman MURKOWSKI. Do you take anything out of the $150 million?

Mr. HAGAN. No, we do not.

Chairman MURKOWSKI. You, in effect, handle that out of your own Department of Labor budget?

Mr. SHASTEEN. We take nothing from the program for administration of it. It is my understanding that the VA has not, John says it does not either, does not receive any administrative funding. Everything goes into the reimbursement of the employer.

Chairman MURKOWSKI. I'm glad to hear that. I was hoping you'd say that. So that is just something that the Department of Labor absorbs as part of their job. Are there any other funds within the Department of Labor that might be funneled into this program?

Mr. SHASTEEN. We are using, Mr. Chairman, some of our Title IV-C Job Training Partnership Act funds to publicize the program, for its public information outreach responsibility that we have under title IV-C. We've used a number of those funds to make this program or help make this program successful.

Chairman MURKOWSKI. Yes; but is that just to publicize the program?

Mr. SHASTEEN. No; not just publicize it. We've conducted some demonstration projects in which we've funded——

Chairman MURKOWSKI. How much money have you put into it other than what was appropriated through the VA budget?

Mr. SHASTEEN. Let me ask Joe Juarez, the head of our Office of Employment and Training Programs.

Mr. JUAREZ. No dollars have gone to reimburse employers. I would estimate $50 million, counting our LVER's, our DVOP's, the JTPA, and other Federal staff, has gone into promoting the program. No dollars have gone to reimburse employers.

Chairman MURKOWSKI. That seems pretty high. Are you talking about staff dollars? We've got a program of $150 million to fund training. And if you gentlemen and ladies have spent $50 million of your own money——

Mr. JUAREZ. Let me state that we have $110 million for 3,400 staff, disabled veterans outreach program and local veteran employment representatives, about $10 million under the Job Training Partnership Act, and $12 million for our Federal staff. Having made this program our No. 1 priority while it has been operational, I would estimate that close to 40 percent of those resources in the field were going to that program because we made it our No. 1 priority. I could give an estimate of 30 percent, but it is in that ball park.

Mr. SHASTEEN. Mr. Chairman, those funds would have been spent anyway. This was an additional tool, this was an additional tool for the employment service in each State to use.

Chairman MURKOWSKI. And right now, you have what, a 134?

Mr. SHASTEEN. $110 million funding 3,400 positions.

Chairman MURKOWSKI. Positions.

Mr. SHASTEEN. That's right.

Chairman MURKOWSKI. 3,400 positions.

Mr. SHASTEEN. 3,400 plus about 200 overhead.

Chairman MURKOWSKI. Just a minute, now. $110 million out of your Labor budget?

Mr. SHASTEEN. It comes from the Federal Unemployment Tax Fund.

Chairman MURKOWSKI. OK; but it's out of the Labor budget not the VA budget?

Mr. SHASTEEN. That's right.

Chairman MURKOWSKI. You've got $110 million.

Mr. SHASTEEN. That's right.

Chairman MURKOWSKI. And that does what?

Mr. SHASTEEN. That provides priority services to veterans in every State out of every local job service office in counseling, testing, referral to training, and referral to jobs. Through that system we have put about 500,000 veterans to work.

Chairman MURKOWSKI. You've put 500,000 veterans to work?

Mr. SHASTEEN. 500,000 approximately per year we've put to work through that system.

Chairman MURKOWSKI. How many people have you got employed in this program?

Mr. SHASTEEN. We have none employed directly in this program.

Chairman MURKOWSKI. Well, it's priority service to veterans in Job Service offices.

Mr. SHASTEEN. That's 3,400 local veterans employment representatives and Disabled Veteran Outreach Program specialists, plus there are about 2,000——

Chairman MURKOWSKI. Are they on your payroll, then?

Mr. SHASTEEN. No. They work for the State. We grant the funds; we allocate the funds by grant agreement to each State. And the States hire these people to work for the Job Service in each State. They work in and out of every local Job Service office.

Mr. JUAREZ. I would add to that equation the $700 million plus that the Job Service system is funded with. That's the Department of Labor budget. That is the system that I think has provided the greatest amount of matches.

Chairman MURKOWSKI. OK. I hope we're going to keep the discussion relatively simple.

You depend on funding from the VA for job-training reimbursement to the employer? You don't do any of that?

Mr. SHASTEEN. We do not do any of that.

Chairman MURKOWSKI. OK. Have you got a budget for fiscal year 1986 for this?

Mr. SHASTEEN. Yes, sir; we do.

Chairman MURKOWSKI. You've got a budget. What are you going to do if we don't have any money to fund employers for training? Are you going to get rid of all these people?

Mr. SHASTEEN. No, sir. We have continuing programs that have been there for a long time. We have the Federal Contractors Job Listing.

Chairman MURKOWSKI. You're going to change your priority from what it was; priority service to vets?

Mr. SHASTEEN Yes, sir; we will. We are already prepared to do that.

Chairman MURKOWSKI. So, what we have here is one agency that has made this program a priority. And another agency; namely the Veterans' Administration, that doesn't have any funds to reimburse employers. So the program as we know it won't continue if it isn't funded; is that right?

Mr. SHASTEEN. That's right. That's correct. We would continue to implement the other programs.

Chairman MURKOWSKI. Did you have conversations with the VA asking why they didn't come in and request a budget? Did you indicate to them you were going to continue to give this program a high priority? How did you communicate at that point?

Mr. SHASTEEN. We had conversations with the VA, but they had the lead as far as funding is concerned.

Chairman MURKOWSKI. I know. Did they tell you that they weren't going to recommend funding?

Mr. SHASTEEN. Yes, sir; they did.

Chairman MURKOWSKI. And you went ahead and still threw this program in as your priority?

Mr. SHASTEEN. We are prepared October 1. We're shifting our priority to the Federal Contractor Job Listing Program.

Chairman MURKOWSKI. You're going to change it from veterans to Federal Job Contracting?

Mr. SHASTEEN. The Federal Contractor Job Listing Program serves veterans.

Chairman MURKOWSKI. But it won't provide any reimbursement to the employer?

Mr. SHASTEEN. That's right.

Chairman MURKOWSKI. So that program would be dead?

Mr. SHASTEEN. The emergency program would be dead.

Chairman MURKOWSKI. Do you have any opinions as to the rationale of the VA for not coming in for funding of this program?

Mr. SHASTEEN. Well, I would let John answer that, but I imagine it would be the unemployment rate, the drop in the unemployment rate.

Chairman MURKOWSKI. John, is that the reason the VA didn't ask that the program be funded?

Mr. HAGAN. This was, as Don has stated, because of the unemployment rate decrease. We thought that if this was an emergency program, that the emergency was over since the rate of unemployment had decreased for the Vietnam-era veterans.

Chairman MURKOWSKI. What do you suggest we do with the $20 million we've got remaining in the budget for the current fiscal year?

Mr. HAGAN. Unless the committee extends this program, it will revert back to, I guess, the general fund.

Chairman MURKOWSKI. Well, do you recommend that we extend the program or not?

Mr. HAGAN. Mr. Chairman, I'm not in a position to comment on that.

Chairman MURKOWSKI. OK. Would you take back to your appropriate superior the fact that we would like to have that question answered specifically?

Mr. HAGAN. Yes, sir.

[Subsequently, the Veterans' Administration submitted the following additional information:]

Due to the considerable improvement in economic conditions since the enactment of the Emergency Veterans Job Training Act and the dramatic reduction in the unemployment rate for Vietnam-era veterans, we believe that the emergency situation which prompted enactment of the act no longer exists. We, therefore, oppose any extension of the program.

Chairman MURKOWSKI. What is the VA's recommendation for using the $20 million? That amount of money isn't going to last very long. You can extend the program until the money runs out and that's all you can do.

Mr. HAGAN. Yes.

Chairman MURKOWSKI. The other alternative, and I would ask you this question, in view of the testimony, does the VA have any second thoughts concerning the program from the standpoint of either recommending to the committee consideration of a supplemental appropriation? Or as an alternative, pursuing and identifying needs within the Vietnam veteran population, for example the combat-experienced Vietnam veteran, for whom apparently the unemployment rate is higher than the noncombat Vietnam veteran? Would you establish priorities if, indeed, limited funding is the only alternative we can seek?

Mr. Shasteen, in view of the fact that the Department of Labor has got $110 million in this program, which is almost the amount of the budget that our program has had to reimburse the employers, do you see any way that the Department of Labor could fund and reimburse employers using this type of program, by changing and shifting some of your internal activities?

Mr. SHASTEEN. No, sir; because the funding that we had, the $110 million is earmarked by Congress to go into those specific items, the salaries and overhead expenses for those positions that we fund for the Employment Service.

Chairman MURKOWSKI. Yes; but the funding of the Employment Service for the cost of administration is extremely high in relationship to the funding through the veterans committees in Congress to the employer which goes directly to benefit the veteran. Yours is a $110 million administration cost. The other one is a direct reimbursement which provides jobs and incomes to veterans. It seems to me there is an inconsistency in the ratio.

Mr. SHASTEEN. Mr. Chairman, I have asked my staff for some figures to determine the cost effectiveness of what we do. And I'd like to relate those to you now.

For every 1 million people who are put back to work, in other words, the unemployment rate comes down by 1 million people, which is a little over 1 percentage point at today's rates, the Federal Government saves $24 billion in costs for unemployment compensation, costs for welfare payments——

Chairman MURKOWSKI. I would agree, but how much is that is the result of your expenditure of $110 million?

Mr. SHASTEEN. Well, we put 500,000 veterans to work in 1 year's time.

Chairman MURKOWSKI. You'd take credit for that?

Mr. SHASTEEN. If you relate that, then you're talking about roughly $12 billion at a cost, the entire Employment Service is operated for less than $800 million. Our part of it is $110 million. So from a cost-effective standpoint it seems to me that what we should be doing is setting goals to increase those placements and certainly taking credit for doing our part to reduce the Federal deficit by whatever amount that we're able to save by putting people to work.

Chairman MURKOWSKI. I think you have obviously done your homework in anticipation of some of my inquiries and I commend you. I don't know whether you can take credit for all 500,000 vets, if that's the figure to use.

Mr. SHASTEEN. It's the system. In this case, Mr. Chairman, 36,000 or 37,000 of those 500,000 were under the emergency program and the Veterans' Administration and our agency have developed a very high degree of cooperation in implementing that.

Chairman MURKOWSKI. Do you have any programs that target those areas that have a higher than average unemployment rate for Vietnam vets? Or are your programs strictly based on the economic conditions in the area?

Mr. SHASTEEN. We are using some of our Job Training Partnership Act funds to try to target particularly difficult problems, such as the homeless veteran in Colorado. We're looking now at post-traumatic stress of veterans to determine whether we might develop linkages with State and local training programs, working together with State and local government and other Federal agencies to deal with the really difficult problems. We don't want to be accused of creaming.

Chairman MURKOWSKI. I'd like to have you take a look at a specific area. Obviously this is an option of the Chair. We have in

Alaska one of the highest rates of Vietnam vets unemployment of any area. Our non-Vietnam vet unemployment rate is relatively normal. If you get time you might take a look and give me an explanation as to why you think there should be that much difference. Because every place else the rates are similar, but up there we still have an abnormally high Vietnam veterans unemployment figure.

Mr. SHASTEEN. I'd be glad to do that, Mr. Chairman.

Chairman MURKOWSKI. Why can't we get statistics in greater detail on the breakdown of unemployment within the classification of Vietnam vets; namely, combat, noncombat, or by geographical areas? You throw this stuff on a computer and you hit a button and you want geographic, you ought to be able to get it; you want combat, you ought to be able to get it. I don't understand.

Mr. SHASTEEN. I'm as frustrated as you are about that. My understanding is that it's very expensive to gather that kind of data. We work with the Bureau of Labor Statistics. The information that we use with reference to the number of Vietnam-era veterans unemployed, the total number of veterans unemployed came from the Bureau of Labor Statistics.

Chairman MURKOWSKI. Do you, when you interview a Vietnam veteran, establish if he is just a Vietnam veteran or do you know whether he's a combat Vietnam veteran?

Mr. SHASTEEN. Our interviewers go into all those details.

Chairman MURKOWSKI. It seems to me that it would be appropriate since we're kicking around a question of needs and we haven't yet resolved it, and I don't intend to even attempt to address it now. It's time that the VA began to establish a classification of combat versus noncombat so that at least we have some statistics to address just how many did see combat and whether there are a higher degree of problems in the readjustment of combat veterans vis-a-vis noncombat veterans. And I would appreciate some consideration on that.

So we'll hear from the VA through an appropriate representative on what they recommend we do with the $20 million and whether they feel that there is any justification to take a look at a supplemental, and, lastly, if they feel there is a recommendation to take another look at the program, to try and establish priorities of need within the Vietnam veteran population. Namely what I assume is the basis for the generalization that problems appear greater in the combat Vietnam veteran than in the noncombat, and if you have limited funds, is that the place to go.

Senator Rockefeller, do you have any questions?

Senator ROCKEFELLER. I do, Mr. Chairman. And I don't mean to hold things up. I thought it would be useful, with your permission, and fortunately, also the permission of committee staff, if there were somebody here who has participated in running a State program. There is a person who works with Mr. Shasteen—his name is Dave Bush. He's right behind Mr. Shasteen. He doesn't need to come to the witness table but I would——

Mr. SHASTEEN. Senator, I'd like to have him come up here. He is West Virginia's EVJTA director and one of our very outstanding State directors. He has done an outstanding job with the Emergency Program. In fact, his work in West Virginia has been——

Chairman MURKOWSKI. I was going to ask if he might be from West Virginia but I thought if I listened carefully I'd find out.

Mr. SHASTEEN. He is our veterans' representative on the ICESA, the Interstate Conference of Employment Security Agencies.

Chairman MURKOWSKI. I would welcome him if he would care to come up.

Senator ROCKEFELLER. This is not in the form of a conspiracy, Mr. Chairman. I have not talked with Mr. Bush in the last several months.

Chairman MURKOWSKI. That was going to be my next question.

Senator ROCKEFELLER. We have not rehearsed this conversation and he is not here to do anything but to tell the truth.

Chairman MURKOWSKI. Would you care to put him under oath?

Senator ROCKEFELLER. No; but it did occur to me, being aware of OMB, that it is difficult for people to come up here when they have a fairly clear sense of commitment to a program which does appear to be working. They are asked about their position on the continuation of the program and they have to say they are not in a position to answer that. I think in some respects that is a fair enough answer. But I think it is also clear——

Chairman MURKOWSKI. Is it a fair question?

Senator ROCKEFELLER. Of course. But I think it is a predictable answer; I'll put it that way.

People say, well, the unemployment has gone down and the Vietnam veterans are working now in sufficient numbers because now the national average is down to approximately 7 percent. I would guess, let's say, 10 years ago, when we were looking back on older veterans and newly arriving home veterans, that the unemployment rate was maybe 3 or 4 percent—at that time, the 7 percent would have seemed like an awfully big number. Now we're looking at 7 percent nationally. In West Virginia we're looking at 12 percent, 13 percent, and several years ago we were looking at over 20 percent. So to us double digit unemployment is still a large problem, and I think to the Nation as a whole unemployment at 7 percent is not the goal of this country. Therefore, employment programs still have their rationale.

You bring out the point of our budget restraints, and that is a reality. The deficit is absolute and terrifying and frightening. So somewhere in this mix questions such as you have asked about the program reaching the hardcore unemployed and the combat or noncombat veterans are important. It seems to me that Dave Bush, whom I worked with as Governor helping to set up our State program, can say what he feels with respect to one State's experience in this. Maybe, with the permission of the chairman and Secretary Shasteen, I might just ask Dave Bush a couple of those questions.

Chairman MURKOWSKI. Please proceed.

Senator ROCKEFELLER. With respect, for example, to the hardcore unemployed in West Virginia, maybe you could do two things to start off. One is to comment on results of this particular program in a State which has 70,000 Vietnam vets and 275,000 veterans in general. With respect to Vietnam vets, what have been the results of this program in West Virginia?

Mr. BUSH. Well, obviously, I think for anyone who has read the Centaur report——

Chairman MURKOWSKI. Mr. Bush, would you move up a little bit? The reporter needs to be able to hear you.

Mr. BUSH. I think obviously for anyone who read the Centaur report and saw the comments relative to West Virginia, it had a good impact on West Virginia. You made reference to the unemployment rate in West Virginia being 13 percent. We still have 51 or 50-some counties that are above 10 percent; a number of counties above 20 percent; some counties still in the 30-percent range.

The one thing that happened first off on this particular program is that it brought the Veterans' Administration regional office, my staff, Employment Service staff, very closely together, and we are now communicating much better. But the big benefit that this program has paid to us in West Virginia is that it improved the relationship between the Employment Service, particularly the veteran employment representatives, and the employer community tremendously.

The Governor's office, the Veterans organizations, the National Job Service Advisory Committee, employer committees throughout the State joined with us in promoting this program, and the public awareness of the program was such that not have we just placed 440 veterans into the program but we've also picked up some additional veteran placements from those employers who had not previously worked with the Employment Service. So there is more than just 440 veterans that entered into employment as a result of that program.

Senator ROCKEFELLER. Mention has been made of the question of whether this really goes at hardcore unemployed. In one way that one measures "hardcore unemployed," I would think the term refers to the length of time that the veterans have been unemployed at the time that they approach this program or are approached by this program. In West Virginia, are we talking about people who have been out of work on an average of 5 weeks, 15 weeks—how many weeks, 100 weeks? And if so or if not, how do you defend this program and its relationship to employing the hardcore unemployed Vietnam veteran?

Mr. BUSH. One, I don't have specific statistics on the average length of unemployment in the State. We have many instances where people have been unemployed as much as 2 years, several as much as 1 year unemployment. So those people were truly in need.

Senator ROCKEFELLER. We're talking about Vietnam veterans?

Mr. BUSH. The Vietnam veterans; yes.

Senator ROCKEFELLER. So when you say many of them, do you mean a third, a half, a quarter, an undetermined number? Would you say a lot of them would fall into the hardcore unemployed?

Mr. BUSH. I think so.

Senator ROCKEFELLER. Could you guess a percentage?

Mr. BUSH. Probably we could go back, we have the records where they made the application, we could go back and review that and probably arrive at some average length of unemployment within the State. We haven't done that to date. But just in conversations with the veteran employment representatives who work with these veterans we know that there have been a lot of success stories about people who had been long-term unemployed, up to 1 year or 2 years, who are now working under this program.

Senator ROCKEFELLER. I understand the sensitivities of, let's say, working with Vietnam veterans as opposed to other veterans in an exclusive program. On the other hand I remember very, very strongly the emergence of the kinds of problems that Vietnam veterans were having. For awhile, the country hadn't really discovered the problems. And then the country began to discover them. West Virginia, I think, was fairly early in that process because we have a lot of veterans, and people go in higher percentages into the service from West Virginia than from virtually any other State. Ours is a very veteran-conscious State. So we care about those things and we began to recognize those problems. Still there's sort of the so-called fairness doctrine. So one way of addressing the question I'm asking you is to tell me whether unemployment among Vietnam veterans is greater, lesser, or the same as, let's say, Korean veterans?

Mr. BUSH. That's a tough question to answer, because as you know in West Virginia we've had a large number of plant closings and a lot of the older veterans were affected by those plant closings. We've had a fairly sizable influx of Korean conflict veterans into the program. Some statistics I saw on the Targeted Jobs Tax Credit Program and the Veterans Incentive Program, the State tax credit program, which you signed, showed that the ratio of the Korean conflict veterans to the Vietnam-era veterans who were taking advantage of those tax programs was about 1 in 10. So I don't think it is as pronounced. But again it is difficult to evaluate because, as Mr. Shasteen said, we don't keep specific statistics on the breakdown of veterans. Although that information is recorded on employment applications in the local employment offices, it's not statistically entered into the system.

Senator ROCKEFELLER. Are you referring to the Kaiser Aluminums, the Union Carbides, the various steel companies, and the other big employers in West Virginia which have had a variety of problems over the years? I take it you're talking about previous war veterans who had gone into those companies which appeared to offer long-term employment situations. But because of the recession and other problems, the veterans were laid off, which contributed to a higher percentage of their being unemployed. Vietnam veterans really had not had a chance to get into that situation so their unemployment is different. They had not really had a chance to stabilize into employment. So, in a sense, I guess I'm trying to feed you an answer that the Vietnam veteran's vulnerability, given double digit unemployment in West Virginia still, given our basic industries, not only in West Virginia but across the industrialized Midwest, the Rust Belt, or whatever you want to call it, is one of having a particularly hard time settling in because job opportunities haven't been there to begin with, and there's been a general kind of a decline in some of our large, basic industry employers. So it is a little tougher. Now, I am kind of feeding you in hopes that you'll say yes. On the other hand, if the answer is not yes, please don't say it.

Chairman MURKOWSKI. I didn't know it was feeding; I thought it was leading the witness.

Senator ROCKEFELLER. I am, but I admitted it, Mr. Chairman.

Chairman MURKOWSKI. That's true.

Mr. BUSH. It is a two-pronged problem because the older vet in call up and mass layoffs has a much harder time returning to the job because of his age. The younger vet was the first to be laid off because of seniority primarily. A lot of the veterans, Vietnam veterans in particular, have an established pattern of going from job to job to job, which implies an underlying problem which may indicate that they are not necessarily job ready without some additional counseling services or without some sort of basic skills training or something in addition to the technical training and on-the-job training they would get through this program. I think we are going to continue to see that type of operation until we address the underlying problems.

Senator ROCKEFELLER. Dave, you know that we, and this can happen in any State where the public officials get involved, we sent out 33,000 letters to every employer in the State; we held training sessions which cost a grand total of an average of $100 a training session all over the State for employers, Job Service personnel, veterans, Vietnam veterans. In other words, we tried to bring people together to realize that this was a good program. You know as well as I do that it tended to be very small businesses—ones that have at the largest 1 to 50 employees—and a lot of family businesses, which tended to take advantage of this program. You know that it worked and we were oversubscribed. Our goal was a certain number of placements. He exceeded our goal by almost 100 percent.

Now, the Nation isn't obligated to make policy for West Virginia and I understand that, but it is a State in which it has worked. Seven percent unemployment is still high. Vietnam veterans do have adjustment problems, unemployment problems, which strike me, at least in West Virginia, as being unusual and unique. This is a program which, I talk about it sometimes like I talk about the Appalachian Regional Commission. Actually, I regret to say the ARC is gradually going out of existence so perhaps I shouldn't talk about it, but it is one of the most extraordinarily successful Government programs with respect to its effect on people that I have seen either as a Governor or a Senator.

Now, with that very sort of modest endorsement on my part, can I ask you, since the senior gentleman at the table can't answer this, do you think this program ought to continue?

Mr. BUSH. Well, someone made a suggestion to me when they knew I was coming up here that maybe the emergency may be over in some States but certainly it is not in West Virginia. People who are long-term unemployed in States where there is a high rate of unemployment under the unemployment compensation system have a trigger on system. So I don't know whether or not the additional money will be forthcoming or not, but at least where West Virginia is concerned I'd like to see us trigger on and continue in the program.

Senator ROCKEFELLER. I will stop my questioning there, Mr. Chairman. I see you are reading a brochure which makes me nervous.

Chairman MURKOWSKI. It's called the Republican National Committee.

Senator ROCKEFELLER. I see.

Chairman MURKOWSKI. I wasn't reading it; I was scanning it.

Senator ROCKEFELLER. I appreciate your patience and I do point out that 7 percent unemployment looks good today; it would not have looked good 10 years ago. And in parts of this country, Mr. Chairman, 7 percent is still a long way off.

Chairman MURKOWSKI. I would concur. I want to thank you, Mr. Bush. I might just add an inquiry of my own based on your experience. I think your effort to highlight the fact that an emergency still exists in your State, as many others, is certainly very much to the point. However, you, as an individual who is involved in extending services, I assume have to evaluate the priorities within the means that you have available, just as this committee has to do. Just as 7 percent is too high in the United States, double digit is too high in West Virginia, and double digit is too high in the State of Alaska. The responsibility of this committee is to reflect on the reality, as you indicated, Senator Rockefeller, that we will not have what we need or would like to have, I think reflects on the wisdom of the committee that we evaluate on the basis of testimony from people such as Mr. Bush who is actually out in the field disbursing what is available. So my question to you, Mr. Bush, is, Recognizing that resources are limited and recognizing that in your State you have not only Vietnam veterans who did need assistance but veterans who not serve in Vietnam that need assistance and that we are only going to get so much money, do you attempt or is it good government service to at least attempt to try and define within the veteran population, both Vietnam and non-Vietnam, the highest need area? Do you cut it down to combat or noncombat? Does that have anything to do with it? Obviously, if you're unemployed, you're unemployed whether you are noncombat or not. But can the job-training application of this program, that's all we're really talking about here, be of greater benefit to a classification of veteran? That would be my general question to you, sir.

Mr. BUSH. Well, that's the approach that the Veterans' Employment Training Service has taken all along. Of course, we prioritize the employment services that we provide to veterans working with, in particular, special disabled vets, second priority to Vietnam-era vets, other disabled vets, and all other veterans. Regardless of what resources we've got, we're going to prioritize our services to meet those in the most need.

Again, I go back to the situation, if you're a veteran and you've been unemployed 15 out of the last 20 weeks, in your mind you are most in need, and it is hard to argue with that if you have a family to support. Whatever resources we've got, we're going to prioritize services the best we can. We will work with whatever we've got available.

Chairman MURKOWSKI. Thank you.

Our next panel this morning consists of representatives of the service organizations, and again, Mr. Shasteen, Mr. Hagan, Mr. Bush, we thank you for your testimony.

We will, I'm told, have the following: Paul Egan of the American Legion; Mr. James Magill of the Veterans of Foreign Wars; Mr. Ronald Drach of the Disabled American Veterans; Mr. Robert Moran, Paralyzed Veterans of America; and Mr. Dennis Rhoades, Vietnam Veterans of America.

I am advised that the committee would like to have written questions by the close of business, September 18.

Would you proceed? We are going to hold your presentations to 5 minutes, as we have the others. The only exceptions to that are my colleagues.

I have no objection to your going in any order you want. The list says Mr. Egan is first here, but it is doesn't matter.

STATEMENT OF PAUL S. EGAN, DEPUTY DIRECTOR, NATIONAL LEGISLATIVE COMMISSION, THE AMERICAN LEGION

Mr. EGAN. Thank you, Mr. Chairman. We certainly appreciate your holding this hearing. Obviously, at least in our judgment, it is a timely hearing.

As we see it, there is a fairly narrow range of employment programs that are available to veterans, and the basic programs consist of five. The first of those is part IV–C of the Job Training Partnership Act, and that's a fairly meager program which is going to be funded next year at approximately $8 million. That's not a lot of money for veterans.

The Targeted Jobs Tax Credit Program, another modest program tailored for the structurally unemployed veterans (veterans are one of nine targeted categories), is scheduled to terminate at the end of this calendar year.

Veterans readjustment appointment authority is another program that allows veterans to get into Federal employment if they have no greater than, essentially, 2 years of college education. They can get into the Federal Government up to the GS–9 level, but as a matter of practical reality few of them get in at a level beyond GS–3 because of the educational limitation.

There is a provision for affirmative action for veterans with Federal contractors outlined in section 2012 of title 38. However, the failure of that program ever to have been enforced makes it practically a joke.

Finally, we have the Emergency Veterans Job Training Program. That program, too, is scheduled to expire this year. We think wrongfully. We think the program should be extended. In fact, arguably, that program might well be made permanent. We take the view that this program has always been needed.

What created the program, in spite of the need for that program, however, was an economic exigency. The catalyst creating that program was the recession that this country has most recently recovered from. What's terribly unfortunate about that program is that it was misnamed for the catalyst creating it rather than the need justifying it.

Now, you can say, and others will say, that there is general comparability between unemployment rates among similarly aged veterans and nonveterans. But the history of unemployment among Vietnam veterans clearly shows that unemployment rises steeply among veterans when there is an economic downturn. The sensitivity of unemployment among veterans is greater than that among nonveterans and that goes back to the basic questions of readjustment and the delay that the veteran sustained in achieving his or

her education or training. This has created the situation in which veterans lack the seniority enjoyed by nonveterans.

Some might say that the dropout rate in this program is prohibitive, therefore raising the question of whether or not this program should be continued. We don't know, but we suspect that that dropout rate compares favorably with CETA or with the Job Training Partnership Act.

Of those veterans that have been certified for this program, some might say that too few of them have been placed in training programs. However, this program was never intended to address the problem of the structurally unemployed veteran. It was, instead, intended to address the problem of the job-ready veteran. We feel that this program has done its job in that regard and should be allowed to continue doing its job.

There are some adjustments that we think should be made in this program. We think, of course, that the title of this program ought to be more appropriately named. We think that, given what we know from the Legion/Columbia study concerning the experience of the combat veteran, there ought to be some special support services available in this program for the combat veteran.

Chairman MURKOWSKI. I'm sorry. Would you repeat that last statement?

Mr. EGAN. Given what we have found from the Legion's study in conjunction with Columbia University, we think there should be some additional provision within this program to supply greater support services to combat veterans, greater matching, greater testing, greater counseling services.

Chairman MURKOWSKI. Non-Vietnam as well?

Mr. EGAN. You are talking about Korean combat veterans?

Chairman MURKOWSKI. That's my question; yes. Do you say non-Vietnam as well, or not?

Mr. EGAN. Vietnam combat veterans, Korean combat veterans, certainly. If we extended this program to include——

Chairman MURKOWSKI. Slow down a minute, now. We're going to conduct this so we get a record and we've got to understand what we're talking about. My question specifically is, All combat veterans?

Mr. EGAN. Our study addressed the subject of the Vietnam veteran. It did not address the experience of the combat veteran of some other conflict. There is a relative paucity of literature on the combat experience of other generations of veterans, and therefore I cannot speak intelligently on that subject.

Chairman MURKOWSKI. Is it sufficient to suggest that your recommendation to the committee is special emphasis on at least including Vietnam combat veterans?

Mr. EGAN. That's correct.

Chairman MURKOWSKI. Do you have a recommendation for "special consideration?"

Mr. EGAN. Yes. We think there should be some additional support services available to those veterans.

Chairman MURKOWSKI. Do you have specific recommendations?

Mr. EGAN. There should be greater time spent in counseling; there should be greater time spent in testing these veterans for proficiency and interests.

Chairman MURKOWSKI. And you are satisfied that there is not now?

Mr. EGAN. The funding available for the administration of this program has never been very great, if anything at all. I think the witnesses from VA and from Department of Labor made that fairly clear. Apart from the field services——

Chairman MURKOWSKI. And there wasn't even a request in the VA budget for it. But that's why we're holding the hearing. Please proceed.

Mr. EGAN. We also think that with regard to the limitation on eligibility for those who must have been unemployed for 10 of the last 15 weeks, we think that unemployment for 5 weeks rather than 10 of 15 would be more appropriate, because then you would be able to assist unemployed veterans more quickly, more expeditiously, and you would probably save the Federal Government what it would spend in unemployment insurance and food stamps and other assistance programs.

The fact that the program was designed——

Chairman MURKOWSKI. I wish you'd give me some figures to support that statement. It would be most beneficial.

Mr. EGAN. The fact that the program was designed to assist job-ready veterans, in our judgment, leads us to believe that it would be appropriate to reduce the amount of time one had to be unemployed before participating in it.

Chairman MURKOWSKI. The problem I have is to convince my colleagues that it is not going to require a substantial increase in funding. Your contention is it is going to save money, and I'm not disputing that, but if you can——

Mr. EGAN. If someone is collecting unemployment for 5 weeks rather than 15 weeks, obviously you are saving 10 weeks worth.

Chairman MURKOWSKI. If indeed that's the case. But there are other alternatives to that.

Mr. EGAN. Perhaps.

Chairman MURKOWSKI. Go ahead.

Mr. EGAN. That concludes my statement.

Chairman MURKOWSKI. Thanks very much, Mr. Egan. I am noted to interrupt, but you were very well prepared and were not reading your statement, so I felt that you could always get back on track, and you did.

[The prepared statement of Mr. Egan appears on p. 104.]

Chairman MURKOWSKI. Mr. Magill.

STATEMENT OF JAMES N. MAGILL, ASSISTANT DIRECTOR, NATIONAL LEGISLATIVE SERVICE, VETERANS OF FOREIGN WARS OF THE UNITED STATES, ACCOMPANIED BY ROBERT JONES, SPECIAL ASSISTANT FOR EMPLOYMENT

Mr. MAGILL. Thank you for the opportunity to present the views of the Veterans of Foreign Wars with respect to veteran employment programs. With me today is Mr. Bob Jones, our special assistant for veteran employment.

We believe that there still is a need to continue the employment programs such as the Emergency Veterans Job Training Act and others, such as the Targeted Jobs Tax Credit Program, which, as

you know, are due to expire this year. In my prepared statement I support this contention by citing the results of various reports conducted throughout the country. Not only do we support the continuance of these programs, but also believe that they can be improved upon as is detailed in our current resolutions which you have been supplied.

One particular point I wish to bring out is the acknowledged success of the Emergency Veterans Job Training Act. This cost-effective program has placed more than 35,000 veterans in meaningful jobs. I would also like to note that, according to the VA, in the first 7 or 8 months of the last fiscal year more than 58,000 of the veterans applying for counseling under the Vietnam Veteran Readjustment Counseling Program were seen for employment-related problems.

Public Law 98-77 states "to establish an emergency program of job training assistance for unemployed Korean conflict and Vietnam era veterans and for other purposes." Then down in the purpose of section 2, it says, "The purpose of this Act is to address the problem of severe and continuing unemployment among veterans by providing in the form of payments to defray the costs of training, incentives, and employers to hire and train certain war time veterans who have been unemployed for long periods of time for," and this is what I want to emphasize, "stable and permanent positions that involve significant training."

The higher dropout rate that we have heard about, I think 56 percent, shows that this program has really not fulfilled its objective. The majority, 56 percent, have not been stably employed and there still is a need.

Finally, Mr. Chairman, we believe consideration should be given to devising the program targeted for the so-called hardcore unemployed. As I pointed out in my prepared statement, a program of this type should include a full spectrum of support services.

This concludes our statement and we'll be happy to respond to questions later.

Chairman MURKOWSKI. Thank you.

[The prepared statement of Mr. Magill appears on p. 121.]

Chairman MURKOWSKI. Mr. Drach.

STATEMENT OF RONALD W. DRACH, NATIONAL EMPLOYMENT DIRECTOR, DISABLED AMERICAN VETERANS

Mr. DRACH. Thank you, Mr. Chairman. I, too, would like to thank you for the opportunity to appear before you here today, and also to thank you for asking some very hard questions, many of which are even more difficult to answer.

I'm going to try to summarize also and also to try not to repeat some of the things that have already been said.

In the invitation to appear here today you wanted us to discuss the employment issues facing Vietnam veterans. Although we have tried to do that, it is obvious that the most important issue today has been the Emergency Veterans Job Training Act. So with your permission I will restrict my comments to that and submit some

additional information for the record regarding some of our views on some of the other programs and issues.[1]

I'd like to perhaps confuse things a little bit further with adding some more statistics that may or may not have been discussed.

Mr. Chairman, you asked about the definition of emergency, and I guess it is kind of hard to determine what an emergency really is and how it affects different people. But certainly to the at least 300,000 Vietnam veterans or veterans who have been certified eligible who have not been employed in this program, certainly an emergency still exists for them. Also, officially the Bureau of Labor Statistics reports unemployed Vietnam-era veterans of 323,000 Vietnam vets. We don't know how many of those are also EVJTA certified, but certainly an emergency exists for them. They don't have any earned income.

Another interesting statistic, when you look at the national unemployment rate, or employment rate, rather, from July 1984 to July 1985 this country was able to put 1,376,000 people to work, new jobs, new people. Of that, if you look at the number of veterans that are no longer unemployed for that same period of time, we have 59,000 less unemployed Vietnam-era veterans in that 12-month period. So of almost 1.5 million new jobs, veterans got 4.3 percent of those new jobs. Certainly an emergency exists for those who did not get a new job.

We can argue from now until then as to how many are unemployed, what the unemployment rate is, whose data are better than whose data. It's interesting that the Bureau of Labor Statistics indicates that there are 6,831,000 employed Vietnam-era veterans. The VA indicates that there is 8,270,000 living Vietnam-era veterans. Well, by simple subtraction that leaves 1,444,000 Vietnam-era veterans who don't show up in any statistic of employment or unemployment. Certainly an emergency exists for that 1.5 million veterans who are not working and who are not even counted as not working.

I'm not going to go into some of the other stuff. We have attached to our statement our resolution from our recent national convention calling for an extention of EVJTA. I would only conclude by asking the committee members to please look at and study carefully at least two studies, the one done in New York City dealing with Vietnam-era veterans in the New York City area, and the one done in California.[2]

I will be happy to answer any questions. Thank you very much.

Chairman MURKOWSKI. Thank you, Mr. Drach.

[The prepared statement of Mr. Drach appears on p. 130.]

Chairman MURKOWSKI. Mr. Moran.

STATEMENT OF BOB MORAN, ASSOCIATE LEGISLATIVE DIRECTOR, PARALYZED VETERANS OF AMERICA

Mr. MORAN. Thank you, Mr. Chairman. On behalf of the members of PVA, it is an honor and a privilege to be here today regarding the issue of employment for Vietnam veterans and I will summarize for my testimony.

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[1] Retained in committee files.

[2] See pp. 191 and 198.

Despite its slow start the Emergency Veterans Job Training Act has been able to certify over 300,000 veterans as eligible, those being unemployed for 15 of 20 weeks prior to making to application. Over the course of the program approximately 50,000 employers have had training programs certified as acceptable which constitute a potential market of over 100,000 new jobs for veterans. PVA believes that the Emergency Veterans Job Training Act is just beginning to fulfill its promise of successfully placing veterans into Government-supported, employer-conducted, work-training programs. Hopefully the work-training program will lead these veterans on to full-time employment.

The hearing conducted earlier this year by the Subcommittee on Education and Employment of the House Committee on Veterans, Affairs, a bill was discussed which would extend the Emergency Veterans Job Training Program past its targeted expiration date. The VA indicated at that time that more than 100,000 hardcore unemployed veterans who have been approved for the Emergency Veterans Job Training Program still had not been placed.

This legislation would not only extend the program but it would also reduce the veteran's eligibility requirement from 15 out of the last 20 weeks to 5 out of the last 20 weeks of unemployment. PVA endorses the extension of the Veterans Job Training Act but opposes the relaxation of the eligibility standards. Our reason for opposing a relaxation of the eligibility standard is because of the dilution factor, meaning the VA would not concentrate their efforts on placing those already certified, hardcore unemployed veterans, but rather they would expend the remaining EVJTA funds identifying new veterans and placing this group.

I would like to comment on one other program that we believe is beginning to demonstrate a positive approach to the training of veterans, including Vietnam veterans, with the hopes of full-time employment being obtained.

Public Law 98–543 authorized a 4-year pilot program of vocational rehabilitation for newly eligible non-service-connected pension recipients. This program, designed primarily for those veterans age 50 years or younger, is a major first step toward providing newly disabled pension recipients the opportunity to receive vocational training and enabling them to return to productive activity rather than relying on the VA pension program.

In just 7 months since its implementation this new and innovative concept of vocational rehabilitation for VA pension recipients already has disabled veterans in training.

In conclusion, Mr. Chairman, we trust that this committee will continue to monitor all veterans employment programs, and we would hope that even though current veteran employment figures are encouraging, that the committee and the VA will not forget about those long-term unemployed veterans and the special needs of disabled veterans seeking employment.

This concludes my testimony.

Chairman MURKOWSKI. Thank you very much, Mr. Moran.

[The prepared statement of Mr. Moran appears on p. 142.]

Chairman MURKOWSKI. Our next witness is Mr. Dennis Rhoades, representing the Vietnam Veterans of America. I might comment, I had the privilege about 2 weeks ago of participating in Anchor-

age, AK with a Vietnam veterans rally program that was quite successful. We met with about 300 businessmen at a luncheon and got pledges to leave that luncheon and report back in a week the hiring of 40 Vietnam vets. Those kind of things, although rather impromptu, I think are worth the effort because it involves a high degree of visibility within the community on the issue. As a consequence it reminds everybody that we've got some work to do.

So with that profound observation, I look forward to your comments, Mr. Rhoades.

STATEMENT OF DENNIS K. RHOADES, EXECUTIVE DIRECTOR, VIETNAM VETERANS OF AMERICA

Mr. RHOADES. Absolutely, Mr. Chairman. You know, getting the employer community sensitized, getting them to make the commitment to hire Vietnam vets is what this program has been all about. We need to offer an incentive. and I think the incentive is working.

I would like to highlight my testimony.

Chairman MURKOWSKI. The entire statement of all the members of the panel will be entered into the record as if read.

Mr. RHOADES. I want to draw the committee's attention to the discussion in my testimony of the history of unemployment as an issue in Vietnam veterans affairs for the past 15 years, as well as the Federal Government's tendency to misunderstand what the employment problem was, dismissing it as simply cyclical, trying to deal with it in the same way that unemployment among previous war veterans was dealt with. The difference was, of course, the attitude toward the Vietnam war, the failure to distinguish the warrior from the war. I would also include the fact that you were dealing with 20- and 21-year-old kids who came back from military service and went into a bad economy.

That is why I find it very difficult to believe that the unemployment problem among Vietnam veterans has been solved, no matter what BLS tells us, because I've heard it before and I've seen the statistics before.

Mr. Chairman, in June 1979, unemployment among Vietnam veterans, according to the Bureau of Labor Statistics, was about 3.8 percent. In 1983 we had a historic high with over 900,000 Vietnam veterans unemployed. I think there's something wrong here. You've got an aging——

Chairman MURKOWSKI. You're comparing it, though, with non-Vietnam veterans.

Mr. RHOADES. Well, the problem with comparing it with non-Vietnam veterans is that the Vietnam veteran population is a stable, aging population. Comparison populations are usually youth oriented and changing. Basically, it should not be happening. As a fixed population ages, unemployment should be going down consistently. It is not happening. Something is wrong.

That's why we think that what is wrong here is structural unemployment. The 20- and 21-year-old——

Chairman MURKOWSKI. What do you mean, structural unemployment?

Mr. RHOADES. Structural unemployment—and underemployment, which is a phase of that—has to do with people that are working in

jobs that are below the level that they should be. They include working, for example, in what is called the secondary labor market by labor economists, working as light truckdrivers, delivery boys, that sort of thing. These are people who have never gotten a track in the labor market long enough to develop seniority; hence, getting into the last-hired, first-fired kind of problem. That, I think, is the basic problem Vietnam veterans are facing, and is the underlying reason why we have seen these crises come up every few years. This is, what, the fourth or fifth emergency Vietnam veterans' employment program we've had in 15 years? There is something wrong here.

Chairman MURKOWSKI. This program has been extended once; this particular program.

Mr. RHOADES. This program has been extended once. So was the HIRE Program. Actually, we had two HIRE Programs. We also had a CETA Program. We have had a lot of history. The history has shown that these programs have been short lived and really haven't penetrated to the employer community like they needed to. The employer community still has a lot of negative attitudes about Vietnam vets. I think we need to get in and get serious about educating employers and EVJTA is a good way of doing it.

My testimony pretty much explains the rest of what our position is. I would like to address just two things that came up during the course of this hearing; one of which concerns the VA requesting money.

I think we are all aware in this room of who the real requester is for funds in any Federal agency budget. It's the Office of Management and Budget. I would like to remind everybody present, including the committee, that the Office of Management and Budget, from day one, opposed the Emergency Veterans Job Training Act. They opposed it at a time when there were 900,000 Vietnam veterans unemployed. They delayed the VA's request for funds until the program was months old and the economy was in the middle of its winter slump in hiring. So I don't give any credibility to the fact that the VA did not request funds this year, simply because OMB didn't request the funds.

As a matter of fact, I think this is a program which unfortunately got lost in the shuffle up here on the Hill. But part of the reason that happened, of course, is it never came up as a budget issue because no funds were requested.

The second thing I would like to talk about are the certifications. If this program is extended, if the employer end of the certifications is extended, I would advise the committee to take a good look at extending veteran eligibility as well. The basic reason being, if you talk to anyone who has ever been on the streets in the employment business, they'll tell you that after 7 or 8 months you don't have a viable pool of applicants. The applicants have moved; their phones have been disconnected; they have found jobs at MacDonald's or that sort of thing. What you really need is a fresh pool of applicants to make the match of employer to veteran. I just don't think you are going to find it with a pool that has been stagnant since February. In the theoretical world it should work that way. In a real world it does not.

That concludes my statement, Mr. Chairman.

Chairman MURKOWSKI. Thank you, Mr. Rhoades.

[The prepared statement of Mr. Rhoades appears on p. 150.]

Chairman MURKOWSKI. I would say that it is appropriate to commend the service organizations represented here. They don't often drop the ball on anything affecting veterans' interests on Capitol Hill, and the generalization was made that somehow this dropped in a crack. I cannot comment on where that responsibility may lie, but I'm sure to simply lay it on OMB is not inappropriate but it doesn't tell the entire story either. Obviously, OMB has a job to do and they traditionally wear a black hat and you will never see them in a white one so don't start looking for one. That is the way they are established. They never speak with a visible spokesman anymore, and are not likely to. But they are going to be around, so it is something we are going to have to live with.

Do you agree with the recent Washington Post survey which compares Vietnam veterans with U.S. men; it doesn't say anything about women here? It says 34 percent of Vietnam veterans versus 39 percent of American men have a household income of less than $20,000.

Mr. RHOADES. Do I agree with the poll?

Chairman MURKOWSKI. Well, I'm going to ask you more. Then 46 percent of Vietnam veterans versus 39 percent of American men had a household income above $30,000. Then it says the employment rate for Vietnam veterans and all men between the ages of 30 and 44 are the same.

Mr. RHOADES. I would say the poll is probably correct at that time. We're in good economic times, Mr. Chairman.

Chairman MURKOWSKI. But my point is, good economic times or bad economic times, you and I can debate the consequences of who goes out first, and I would agree with one of the previous witnesses that it is the newest employee, and I think you would agree, too. That is just one of those things, whether it be a veteran, Vietnam veteran, or just the newest guy on the block. Yes?

Mr. DRACH. Mr. Chairman, if I may, I am not familiar with the poll that you mentioned in the Washington Post, but——

Chairman MURKOWSKI. Well, I wasn't either, but I just got it.

Mr. DRACH. But I would like to just comment on polls or the income of Vietnam vets. I'm not sure what data base was used or whether it was just a survey or whatever, but when VA reports Vietnam veteran or veteran income, they include all income, not just earned income. And I think we have to look at that in terms of whether or not some of that income is transfer payments such as disability compensation, G.I. bill benefits, food stamps, whatever the case may be. And I think that the bottom line here is that that income data can be very skewed by transfer payments. And I'm not sure; again, I'm qualifying that because I haven't seen the study and I don't know the data base.

Chairman MURKOWSKI. Well, if you want to check it, it is from an ABC News poll of Vietnam veterans conducted by telephone March 15 through 24, and it covered 811 veterans who served in the Vietnam theater. And it specifically referred to household income in 1984. And we would be happy to make a copy available to all who are interested. It shows not only party identification, but voting registration. An extraordinarily three-quarters of them hap-

pened to vote for the President, yet a higher percentage are registered as Democrats. It shows education, identification of class, ownership of residence, lots of information, pretty good stuff, if you believe it.

Mr. RHOADES. Mr. Chairman, I draw your attention also to the California study, to which reference has been made in this hearing, that discusses income. The survey included about 4,000 vets. I think you might find that very interesting.

Chairman MURKOWSKI. Let me ask you another question, Mr. Rhoades. You are representing the group of veterans that we are very sensitive to, for obvious reasons. But everybody has a job to do and you gentlemen representing the service organizations have a job to do and that is to represent the interests of the veterans, and the propagation of veterans services through your own organizations. We hear of the sacrifice that men and women make by going into the service but not that we have a democracy and an obligation when called upon to make a contribution. And you are more familiar with that than I. But the constant reference to the state of affairs of the Vietnam vet and the injustices that have been done, how much of that tends to attract, if you will, a defeatist attitude within the Vietnam vet, because he is continually reminded that he has been overlooked by society, he has been unjustly treated to comparison to non-Vietnam veterans, at what point does this become a burden to the Vietnam vet?

Mr. RHOADES. Does the Vietnam vet go around feeling sorry for himself? No.

Chairman MURKOWSKI. Some of them do.

Mr. RHOADES. No; not the ones I know.

Chairman MURKOWSKI. Well, I'm not going to dispute that, but I think it is true that some of them do, just like any veteran, just like any nonveteran. People are going to feel sorry for themselves.

Mr. RHOADES. True.

Chairman MURKOWSKI. But, anyway, have you got any general comments of clarification for the chairman on at what point have we done the best we could with the assets we have, not that we couldn't do more if we had more assets, but the realization that life is real and life is brutal and you don't have the new Cadillac because you can't afford it, you get hopefully a Chevrolet instead of a Toyota. But you gentlemen have an obligation, and this program is up for consideration, and you are saying fund it. Some of you are saying extend it. Some of you are saying you oppose the relaxation of eligibility, and I find that interesting because I think you each have a good point. Somebody else says, heavens, you're going to save money that ordinarily would go out in unemployment. But we are only going to have so much money. Do you just want to let it go, whatever we have, to cover whatever we can? Or do you want to try and prioritize it with a functional characterization of need if you, indeed, can determine where that priority need is?

Mr. RHOADES. Well, I am always in favor of programs that can pinpoint where the problem is and can draw a bead on where the need is. The only problem with programs that do that too precisely is that they become administrative nightmares. And a lot of money and time is spent chasing after who qualifies when the money and

time could be more judiciously spent putting people to work. That is my fear, Mr. Chairman.

If the criteria are drawn too tightly, the administrative end of that might become very sticky.

Chairman MURKOWSKI. OK. Let me ask you, and somebody can speak for the whole, or if you have a difference of opinion, then speak out. We have got to make a decision very soon on approximately $20 million. That's what we've got left. We can simply run it until it runs out and that is not going to last the balance of the fiscal year; no question about it. Then we could sit down and try and go in for supplemental, but that is next fiscal year. Or we can take the $20 million and try to make it last longer through some prioritization effort. And at this point I am not suggesting how. That's about where we are at.

So I guess the first question I want to ask you is, What do you suggest we do with the $20 million? The program was over in September. We have got $20 million. We can't extend it. Excuse me. The Senate-passed bill has extended it. But the $20 million isn't going to last. I guess that is correct. At some point it will run out before the end of the fiscal year; is that a fair statement? Do you agree with that, gentlemen?

Mr. PRINCIPI. Before the end of 1986.

Chairman MURKOWSKI. Yes; before the end of 1986.

Mr. JONES. Mr. Chairman?

Chairman MURKOWSKI. So, we've got one group who says we should start again and reauthorize, because if you didn't get into the program before, what, February, you can't take care of any of the new people that need it. And now we are down to do we use the $20 million to carry out what we've got. Somebody say something.

Mr. JONES. Mr. Chairman, Bob Jones from the Veterans of Foreign Wars. Sir, I will not presume to answer for the other veterans organizations, but I do have a question. Is the Veterans' Administration return to the overall appropriation on December 31 when section 18 of the Emergency Veterans Training Act, Vocational Training Targeting Limiting Program expired $10 million. Does this existing $20 million include that or is that money still adrift?

Chairman MURKOWSKI. No; I'm told by my experts in the back. Do you want to enlighten us any further?

Ir. JONES. Can those moneys be redirected to this program?

Chairman MURKOWSKI. Mr. Hagan of the VA may know.

Mr. DOLLARHIDE. The $20 million would include the $10 million returned from that.

Chairman MURKOWSKI. So all we've got is $20 million. Sorry, it was a good try to pick up another $10 million.

Mr. JONES. Well, sir, the Department of Labor advises us that this program is committing roughly $7 million per month. That $20 million is not going to go too far, as you very aptly pointed out. The position of the Veterans of Foreign Wars is we would like to see this program extended. We would like to see the certification for veterans opened up.

Chairman MURKOWSKI. If you reopen it, your $20 million is going to go a lot less.

Mr. JONES. Yes, sir.

Mr. EGAN. On the other hand, Mr. Chairman, if you don't open it up, it might be very difficult to spend that $20 million.

Mr. DRACH. There are no eligible veterans left. The expiration date is here. There are relatively few, if any, veterans available to be enrolled in training to spend that $20 million. And if I may, Mr. Chairman, comment on something earlier.

Chairman MURKOWSKI. There are 300,000 veterans that are certified currently, and 36,000 of those have been placed.

Mr. DRACH. But of the 300,000 that were originally certified, how many are still eligible? That certification is only good for a limited period of time, and that time has expired for most of them.

Chairman MURKOWSKI. They tell me 100,000.

Mr. DRACH. 100,000 are still eligible? Until what date?

Mr. DOLLARHIDE. To clarify, a correction, anybody who has been issued a certificate before March 1, 1985, can be issued a renewal. The suspense was on new certificates.

Mr. DRACH. And how many are there, then, that fit into that category of the 300,000, anybody know?

Mr. DOLLARHIDE. Well, only about 36,000 have been hired. Of course, a lot of others whom we would not know about have been hired in other jobs. So I would guess it is about 200,000 or 150,000.

[Subsequently, the Veterans' Administration submitted the following additional information:]

There are approximately 219,000 veterans who have certificates but have not used them. Based upon Centaur's findings, just over half of this number are already employed full-time or part-time or are attending school. This would leave approximately 100,000 to 110,000 veterans who would actually be able to participate.

Mr. DRACH. Were certified before February 28?

Mr. DOLLARHIDE. Yes.

Mr. DRACH. I stand corrected. I didn't realize there were that many certified that early.

Chairman MURKOWSKI. That's the point of the hearing. Get some information and share it. So don't feel bad.

Mr. JONES. Sir, the other comment that I would like to make, there has been considerable discussion here today about targeting and identifying; we've discussed the hardcore unemployed vet. I submit that this program has in fact identified that hardcore unemployable veteran who needs additional services. Now, this program in accomplishing that task has, again in testimony here today, pointed out that the closer working relationship has been developed between the Veterans' Administration and the Department of Labor staff, and I would suggest perhaps the identification of those people who are in the computer system could be provided to Department of Labor and targeted under IV-C moneys and various pilot programs around the country.

Chairman MURKOWSKI. Well, I won't pretend to try and get a consensus now, but I am going to want it in a letter form from your organization. But I guess what I am asking for is that we address the question on the basis that, as I understand it, we have about $20 million left, and that is going to be around until October 1. That is about 2 weeks. OK, we've got $20 million to spend and we can get it committed over for 1986, so it would be through September 30, 1986, if we extend the program, which we have the authority to do. Is everybody agreed on that?

We have nothing in the budget for next year, other than a possible supplemental. I understand where you're coming from on that, but we can't guarantee that there is going to be any assurance that that is going to be there.

So for purpose of consideration we're talking about how to spend $20 million in a job program for the next year, approximately. And we have had varying recommendations from you on the question of just whether or not to change the 15 to 5 weeks. I'd like to know, is that simply going to put more pressure on the program and mean that the money is not going to last as long? Or we can leave it the way it is. We could reauthorize the certification date; that would be a third option. And I guess that is about the extent of our alternatives, isn't it.

Mr. PRINCIPI. We can authorize the appropriation of new money but we can't guarantee——

Chairman MURKOWSKI. Yes; the reauthorization of new money, but I'd rather take them one at a time and say, OK, how do you guys want to see the money spent in the meantime. This committee has to sit down and address the appropriateness of reauthorization for another $150 million for 1986. That has got to have the input of the VA and the administration, and so forth. Would you mind doing that?

Mr. RHOADES. No. I just want to make one comment about that, though. I think given the limited amount of money left, the time involved, it seems to me if you start playing around with the basic criteria for the program, you throw such a monkey wrench into the system that nothing is going to get done. So I think probably keeping it as simple as possible is, I don't know how the other organizations feel, but——

Chairman MURKOWSKI. I'm not interested in specifically trying to resolve that, but I would ask your consideration as to whether or not you would say put an emphasis on picking out combat Vietnam veterans for the $20 million remaining, because that may be the area where there is the greatest need. I don't know if it is or not.

We'll look forward to having that input within by the 18th. Got any problems with that? Keep the letter one page, if you can. They are easier to read that way.[1]

And we've gotten several statements from other organizations that are unable to be present today, so they will be included in the record as if read.[2]

I thank you for your testimony, gentlemen, and I wish you a good day.

Mr. PRINCIPI. I have just a quick message for the representatives of the service organizations. I mentioned to some of you on the phone yesterday, due to the Jewish holy day on September 25 and the need to report a reconciliation bill to the Budget Committee on the 27th, we have made certain changes to the hearing and mark-up schedule which you were originally furnished.

Next Thursday we will receive testimony on compensation COLA and certain items regarding veterans' benefits, and on the 24th at 9:30 the committee will mark up a reconciliation bill.

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[1] See p. 171.
[2] See p. 174.

With regard to the hearing next week, the chairman is going to keep the record open for an additional week in order to provide you with sufficient time to comment on any and all of the bills or legislative proposals pending before the committee, and copies of those bills and proposals are available for you today if you'd like to pick them up.

Chairman MURKOWSKI. Our final witness will be from the private sector, Mr. Arno Zimmer, director of Government programs for Management Insights, Inc.

STATEMENT OF ARNO B. ZIMMER, DIRECTOR, GOVERNMENT PROGRAMS, MANAGEMENT INSIGHTS, INC.

Mr. ZIMMER. Mr. Chairman, thank you for the opportunity to speak here today. I have submitted some testimony for the record and I would like to highlight that testimony today, if I can.

School just started last week and, of course, my name begins with "Z" and my daughter was complaining this morning that she has to go last in class every day. So I'll be glad to report back that the U.S. Senate operates under the same procedures.

Chairman MURKOWSKI, You're going to have to excuse me. I've got people waiting outside and upstairs.

Mr. ZIMMER. I would just like to highlight a few parts of my testimony and then comment at the end, if I can, on the budget that is still available, because I think there are some conflicting figures that are being passed around.

I think I bring a rather unique perspective to the hearings in that I work on a regular basis with the vice presidents of human resource, the personnel managers of major corporations, the managers and the veterans' representatives in the various Job Service offices, and also with officials in the Veterans' Administration. And I would like to just quickly address three questions that have been raised on a regular basis about EVJTA over the last 3 years.

The first being, "Would the veteran have been hired anyway without EVJTA?" I'd like to say from the perspective of the private sector, emphatically no. There are several reasons why the veteran is getting the job because of this program, and these mechanisms include the training program approval process which must be initiated by the employer with the VA. Without that approval, the veteran can't go to work for that employer under EVJTA. In fact, there would be no documentation that there was even a program.

Item No. 2, the veteran has to go through the VA's certification process.

Item No. 3, there has to be some sort of job matching through the veterans' representative or the VA representative with the veteran and the employer to make this program work.

So the veteran really finds his way to that employer through these prescribed support systems which are both formal and informal. If you take those systems away, a lot of veterans are simply not going to get jobs. So when I hear people say that the veteran would have got the job anyway or would have been hired anyway, I like to go back to the initial formalized system that was set up to really encourage the employer to hire the veteran.

Also, a lot of employers, and I don't know why this is so misunderstood, but a lot of employers make very special efforts to get veterans hired in a variety of programs. Under EVJTA, I can speak with some personal experience about a few Fortune 500 companies that have done some specific things to get veterans into jobs, and I would like to just read a description of a few of the methods being utilized.

One. These employers are placing and updating specific job orders with the veterans' reps in the local Job Service office, asking for certified veterans to be sent out for job interviews.

Two. Some of these employers are putting EVJTA signs in their employment lobby, asking veterans to make sure they identify themselves for job consideration and to show their certificate to the interviewer.

Three. Employers are coding applications with a "V," V meaning veteran, so that the interviewer that interviews that veteran knows that that person is eligible for training under EVJTA.

Four. A lot of approved employers are setting aside job opportunities and training classes for certified veterans.

And these are the sort of the practical things that go on, I think, unnoticed, perhaps, by the Senate and the House and the committee and even perhaps some of the veterans' groups, the practical things that employers are doing to participate in the EVJTA.

A second question comes up. "Why is there a seemingly high dropout rate among veterans?" I think someone quoted 56 percent. And I know from experience a lot of these terminations are voluntary. The veteran simply finds out he was in the wrong job, that he jumped at the chance to take that job because he was unemployed. Simultaneously, the employer saw the certificate and he took a chance on the veteran. And somewhere down the road the two of them decided that this wasn't the job for that veteran. That certainly is one factor.

The seniority system in companies, the last in, first out policy, obviously has an effect. If a company is going to lay people off and if that veteran came in 3 weeks ago and someone else has been there for 2 or 3 years, that veteran, even though he was certified, is going to lose the job first. That is unfortunate, but that's the way our private sector works.

Another factor in terminations is the hiring of marginally qualified veterans. A lot of employers are very subtly reducing their employment qualifications when they see a certified veteran come in the door. They are saying, and maybe the veteran is saying this too, I'll take a chance on that job, and the employer is saying I'll take a chance on that veteran, because there is an incentive under EVJTA to do so. And that might be an incentive because of the financial reimbursement or it might be because the employer wants to document his affirmative action efforts, since he is a Federal contractor. In any event, there are certain things the employer is doing which I think increase the dropout rate. In summary, employers are taking chances on these veterans and, in turn, the veteran is taking a chance on the job.

Now, on the positive side, I would like to say, and I don't think this has been mentioned today, that every veteran walks away from that job, whether it is a voluntary or involuntary termina-

tion, with some sort of work experience. He has got off unemployment for a while, he has paid some bills, he has put some money in his pocket, he has got a better attitude, I think, about himself. Unfortunately, we don't have a system now to find out what happens to that veteran. All we see is the negative statistic. I think if you go all the way back to the Manpower Development and Training Act days and all the succeeding legislation, we don't have a way to track what we naturally consider the dropouts and the negative connotations which go with it. So we don't know whether these veterans moved on to better jobs because of the preliminary work experience they got under EVJTA prior to their termination under EVJTA.

A third question, "Do employers tend to screen and take the best available veteran?" If they did do that, I don't think we would have a 56-percent dropout rate. You can't have it both ways. The employer can't be screening so closely that he is avoiding these marginally qualified veterans, which I think he isn't, and consequently they are eventually dropping out of the program in some instances.

But employers obviously do use a system which I think is probably used by the committee when they hire their support staff. You look for the best available person from the pool. The employer, quite frankly, is playing by the rules. The Congress established a program and the VA set up the rules that said you can get reimbursed for training someone if they are certified. They didn't say, by the way, don't take the best qualified of the certified; they simply said to draw from the pool. This is what the employer does.

I would like to conclude with a few brief observations regarding the eligibility and availability of certified veterans. I know one of the most populous States, at least from my knowledge, of certified veterans is California. During the entire month of August in California, veterans' specialists in the local Job Service offices have told us on a number of occasions, we can't find certified veterans.

Now, if we can't find certified veterans in a State like California, my thinking is we're not going to find them in Montana, in Illinois, in Missouri, and Texas, and other States. And when the veterans' rep tells us that, he is not saying I just have the hardcore, he's saying I can't even find the hardcore.

That certificate is not for life. A lot of veterans lose that certificate; they move on to other cities; they get discouraged and decide not to come back for a second and third interview. And if we open up the certification process again, a lot of those veterans that were certified before, I think, will come back in the program, including some of the so-called hardcore veterans.

So a reopening of the certification process, at least from the perspective of the employer community, would be a positive benefit under this program.

Finally, you know, you look at this EVJTA Program and you look at the age of the average Vietnam-era veteran, which I think is in the 35-to-39 age group, and this really is the last opportunity for these people. The last initiative, I think, that can be justified to help the Vietnam-era veteran is the program we have before us. The mechanism is in place.

Incidentally, in that regard, I think the Centaur study was particularly relevant in that it showed that 98 percent of the veterans

in EVJTA had no contact with or no knowledge of JTPA, the Job Training Partnership Act. And even if they did, there is only about an $8 million budget under title IV-C of JTPA to serve those veterans.

So we are really looking at the one program that is left for this era of veteran. And you have an employer community that has been certified eligible for the program that wants to continue to participate.

In closing, I would like to just go back to something that has been said earlier about the dollars that are available. I will take it that there is $20 million there in a pool to be drawn from. I have some figures, and I think the committee would probably want to get very current figures, that show that in the months of June and July there were some negative outflow months under EVJTA. For example, the week ending June 17, a negative $1.3 million was spent under this program. Now what that means is if you go back to your voluntary terminations and other terminations, is that when the VA sets aside $10,000 for a veteran who only works 2 weeks, they are going to get most of that allotment of $10,000 back into their pool.

So what we have here is a case where money is actually coming back into the program because of the terminations.

We have other weeks where $0.8 million were spent, or $800,000 was committed to the program. So I think it would do the committee well to get very accurate and current figures from either the Department of Labor or the Veterans' Administration as to just how much money is available and how much is flowing out each month under the program.

That concludes my comments and I would be glad to answer any questions that you have.

[The prepared statement of Mr. Zimmer appears on p. 164.]

Mr. PRINCIPI. Thank you, Mr. Zimmer. I don't have any questions at this time. I want to thank you very, very much for your testimony. It was very, very helpful.

I would also like to thank Mr. Harry Vonk of Centaur Associates who is here today. Although we did not have any questions, I appreciate your attendance.

I do have one question for Mr. Juarez. That will be all, Mr. Zimmer.

I recall back in 1972, in June 1972 when I left the military to attend school that fall, I was advised by the military separations officer that I was now technically unemployed that day and could get down to my unemployment office and start collecting 26 weeks of unemployment insurance. Needless to say, that is quite an incentive for someone who is really not interested in finding a full-time job having to start law school in the fall. I gave that a lot of consideration.

Is that still currently the law, that if you leave the military voluntarily and choose not to reenlist that you are considered unemployed, an unemployed veteran and eligible?

Mr. JUAREZ. No longer. Way back then it was. However, about 2 years back Congress amended legislation. A veteran now must wait 4 weeks and is eligible to draw on the fifth week for a maximum of 13 weeks. And that is current legislation.

Mr. PRINCIPI. After 4 weeks, then you are considered unemployed?

Mr. JUAREZ. Then you are eligible to draw starting the fifth week for a maximum of 13 weeks.

Mr. PRINCIPI. And you have to be available for employment?

Mr. JUAREZ. Absolutely. The same criteria applies as to other persons eligible. You must be available and looking for work.

Mr. PRINCIPI. You are looking for work.

Mr. JUAREZ. And eligible for it; that's correct.

Mr. PRINCIPI. Thank you very much. That concludes our hearing.

[Whereupon, at 12:15 p.m., the committee adjourned.]

APPENDIX

STATEMENT OF SENATOR MITCHELL

Mr. Chairman, I want to commend you for holding these oversight hearings on veterans employment issues, especially continuing unemployment among this nation's Vietnam-era veterans.

The issue of continuing high, and it goes without saying, unacceptable, levels of unemployment among Vietnam-era and Korean war veterans as a result of this nation's economic difficulties early in the 1980's prompted this Committee to consider and pass the Emergency Veterans' Job Training Act in 1983. I was pleased to vote for passage of the measure at the Committee's May 11, 1983 markup.

In the interim, the question of appropriating funds for the EVJTA program; the questions surrounding the program's effectiveness during its first months of operation; the effect the economic recovery has had on veterans' employment levels have all lead to Congressional attention to this program. As this morning's hearing demonstrates, the question of whether or not Congress should extend EVJTA, and if so, with what changes

to the program continues to be an issue of concern to members of Congress and the veterans' service organizations.

I look forward to hearing from today's witnesses, including our colleague from Massachusetts, Senator Kerry. As always, while I may not be able to stay for the entirety of this morning's hearing, I will review the testimony of the witnesses and I may have written questions to submit for the record following the hearing.

PREPARED STATEMENT OF SENATOR KERRY

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

I VERY MUCH APPRECIATE BEING GIVEN THE OPPORTUNITY TO TESTIFY BEFORE YOU TODAY ABOUT VETERANS EMPLOYMENT.

MR. CHAIRMAN, I COULD NOT AGREE MORE WITH THE STATEMENT PRESIDENT REAGAN MADE ABOUT HELPING VETERANS GET JOBS WHEN HE SIGNED THE EMERGENCY VETERANS JOB TRAINING ACT INTO LAW JUST TWO YEARS AGO.

AT THAT TIME HE STATED: "THE NATION HAS A SPECIAL COMMITMENT TO THOSE WHO HAVE SERVED IN THE MILITARY. THAT COMMITMENT INCLUDES NOT ONLY OUR CONTINUING RESPECT, BUT PRACTICAL ASSISTANCE AS WELL. . . . THEY DID THEIR BEST FOR US; NOW WE MUST DO OUR BEST FOR THEM."

IN IS IN THAT SPIRIT THAT I ASK THIS COMMITTEE TO ACT SWIFTLY TO EXTEND THE EVJTA, MR. CHAIRMAN. THE PROGRAM WAS ONLY UP AND RUNNING FOR 18 MONTHS WHEN AS OF LAST FEBRUARY IT STOPPED CERTIFYING NEW OUT OF WORK VETERANS IN THE PROGRAM. THERE ARE STILL A GREAT MANY VETERANS OUT THERE WHO DON'T HAVE JOBS AND WHO NEED OUR HELP. THE PROGRAM STILL EXISTS -- BUT IT IS ALREADY IN THE PROCESS OF SHUTTING DOWN, AND I BELIEVE WE HAVE AN OBLIGATION TO THESE VETERANS TO ACT NOW TO KEEP IT GOING.

AS YOU KNOW, THE HOUSE HAS ALREADY RECOGNIZED THIS. IT ACTED UNANIMOUSLY ON MAY 20 TO APPROVE A $75 MILLION EXTENSION OF EVJTA.

MR. CHAIRMAN, I AM NOT TRYING TO PLAY TO ANY SPECIAL SYMPATHIES, BUT NO GROUP OF VETERANS HAS EVER FELT THE STING OF MORE PROMISES BROKEN THAN VIETNAM VETERANS. THAT IS NOW HISTORY.

BUT IT SEEMS TO ME THAT TEN YEARS AFTER THE FALL OF SAIGON, WE MUST BE EXTRA CAREFUL TO NOT EVEN GIVE THE SEMBLANCE OF BREAKING A PROMISE.

THIS COMMITTEE AGREED TO PROVIDE $300 MILLION TO THESE VETERANS FOR THIS PROGRAM ONLY TWO YEARS AGO. TODAY, LESS THAN HALF THAT MONEY HAS BEEN APPROPRIATED AND SPENT AND THERE ARE VETERANS IN EVERY STATE IN THE UNION WAITING TO TAKE ADVANTAGE OF THE PROGRAM. TWO YEARS AGO, THERE WERE SOME MEMBERS OF THIS COMMITTEE WHO BELIEVED EVJTA SHOULD BE MADE AN ENTITLEMENT. TODAY, WE MUST AT LEAST FULFILL THE PROMISES MADE TWO YEARS AGO.

WE MUST NOT FORGET THAT THOSE WHO SERVED THEIR COUNTRY LOST CRITICAL CAREER OPPORTUNITIES OBTAINED BY THEIR NON-VETERAN PEERS. STATISTICS TELL ONLY A SMALL PART OF THAT

STORY -- ANYONE WHO KNOWS VIETNAM VETERANS KNOWS THERE ARE TOO MANY OF THEM STILL DEEPLY SUFFERING FROM THE AFTER-EFFECTS OF THAT TERRIBLE CONFLICT.

STATISTICS SHOW ALL SORTS OF THINGS, MR. CHAIRMAN. UNEMPLOYMENT MAY BE GOING DOWN AMONG VETERANS OVERALL, BUT RESEARCHERS HAVE FOUND EVIDENCE THAT VIETNAM VETERANS ARE ACTUALLY DISCRIMINATED AGAINST BY EMPLOYERS. FOR EXAMPLE, PROFESSOR JAMES E. BORDIERI OF DEPAUL UNIVERSITY HAS FOUND THAT EMPLOYERS MADE "SIGNIFICANTLY LOWER RECOMMENDATIONS TO HIRE THE VIETNAM VETERAN" RATHER THAN A NON-VETERAN WHEN BOTH APPLICANTS WERE JUDGED EQUALLY QUALIFIED FOR THE JOB. AS PROFESSOR BORDIERI REPORTED IN THE JOURNAL OF APPLIED SOCIAL PSYCHOLOGY LAST YEAR, "A NEGATIVE BIAS EXISTS CONCERNING EMPLOYMENT OF VIETNAM VETERANS. . . THIS APPARENT DIFFICULTY IN OBTAINING EMPLOYMENT MAY BE CONSTRUED AS A HARDSHIP IN RE-ENTRY AND READJUSTMENT TO CIVILIAN LIFE."

AND PROFESSOR BORDIERI GOES ON TO CITE OTHER RESEARCH WITH SIMILAR FINDINGS.

I THINK IT IS NO WONDER THAT MANY VIETNAM VETERANS HAVE NEVER CAUGHT UP.

MR. CHAIRMAN, I ASK THAT THE STUDY BY PROFESSOR BORDIERI BE ENTERED IN THE RECORD OF THIS HEARING.

I ALSO WISH TO DRAW THE ATTENTION OF THIS COMMITTEE TO A REPORT PREPARED FOR THE CALIFORNIA EMPLOYMENT DEVELOPMENT DEPARTMENT REGARDING VETERANS EMPLOYMENT AND TRAINING, ISSUED A YEAR AGO IN AUGUST, WHICH FOUND THAT VIETNAM VETERANS ARE UNEMPLOYED ON THE AVERAGE ALMOST ONE YEAR -- 31 WEEKS LONGER THAN THE NATIONAL AVERAGE FOR ALL UNEMPLOYED PERSONS.

THIS REPORT CONCLUDED, MR. CHAIRMAN, THAT MANY VIETNAM VETERANS HAVE EXPERIENCED PROLONGED PERIODS OPF UNEMPLOYMENT AND HAVE NOT BEEN ABLE TO PURSUE THEIR CAREER GOALS, AND HAVE NOT BENEFITTED FROM EMPLOYMENT SERVICES.

IT ALSO CONCLUDED THAT CONGRESS SHOULD EXTEND THE EVJTA FOR AN ADDITIONAL THREE YEARS, THROUGH 1988, BECAUSE THE PROGRAM "IS SCHEDULED TO TERMINATE BEFORE A MAJORITY OF VETERANS IDEALLY SUITED FOR EVJTA JOB OPENINGS WILL BE READY TO PARTICIPATE."

MR. CHAIRMAN, I ASK THAT THIS STUDY TOO BE ENTERED IN THE RECORD OF THIS HEARING.

SO I THINK WE CAN AGREE THE PROBLEM OF VIETNAM VETERANS WITHOUT JOBS AND WHO NEED OUR HELP IN OBTAINING THEM IS REAL. AND I BELIEVE WE CAN ALSO CONCLUDE THAT CONTINUING EVJTA IS AN EFFECTIVE, MINIMUM RESPONSE TO THE PROBLEM.

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MR. CHAIRMAN, LET ME NOW TURN TO THE MECHANICS OF THE EVJTA PROGRAM ITSELF.

EVJTA WAS DESIGNED TO BE SIMPLE, WITH MINIMAL RED-TAPE, AND LOOSELY STRUCTURED. THE KEY TO IT WAS A PRIVATE-PUBLIC PARTNERSHIP, UNDER WHICH THE FEDERAL GOVERNMENT PROVIDED A SUBSIDY OF UP TO $10,000 PER VETERAN IN MATCHING FUNDS FOR THE JOB TRAINING PERIOD NECESSARY TO GIVE THE VETERAN THE SKILLS NECESSARY TO HOLD A HIGHER-QUALITY JOB.

EVJTA WAS NOT, IN MY VIEW, DESIGNED TO SOLVE THE PROBLEM OF THE TRULY HARD-CORE UNEMPLOYED VETERAN WHO HAD NEVER HELD A STEADY JOB AND WHO WAS LARGELY INCAPABLE OF HOLDING A STEADY JOB. AS ANYONE WHO HAS WORKED IN THE FIELD OF EMPLOYMENT IS AWARE, COUNSELLING AND SUPPORTIVE SERVICES ARE ABSOLUTELY CRITICAL TO HELP THOSE WHO HAVE EXPERIENCED THE MOST UNEMPLOYMENT, AND WHO MAY LACK THE MOST BASIC SKILLS DEMANDED BY A JOB, SUCH AS ARRIVING TO WORK ON TIME.

RATHER, EVJTA WAS A MECHANISM BY WHICH THE CONGRESS AGREED THAT THOSE WHO SERVED THEIR COUNTRY IN KOREA AND VIETNAM DESERVED AN EXTRA LEG UP TO MAKE UP FOR THE YEARS AND OPPORTUNITIES LOST DURING THEIR SERVICE.

IN THE SHORT TIME THAT EVJTA HAS BEEN IN OPERATION, IT HAS ACCOMPLISHED THAT MISSION EFFECTIVELY, AS THE CENTAUR STUDY EVALUATING IT FOR THE VETERNS' ADMINISRATION DEMONSTRATES.

AS THE CENTAUR REPORT STATES, SOME 27,000 VETERANS FOUND JOBS UNDER THE EVJTA PROGRAM IN THE FIRST 18 MONTHS OF THE PROGRAM. IN ITS FIRST NINE MONTHS, APPROXIMATELY ONE IN TWELVE OF THE WORKERS ENROLLED IN THE PROGRAM FOUND JOBS UNDER IT. OVER THE LAST NINE MONTHS OF THE PROGRAM, THAT RATIO IMPROVED TO ONE OUT OF FIVE.

OF THOSE FINDING JOBS UNDER EVJTA, NEARLY TWO-THIRDS WERE TRAINED IN STRUCTURAL WORK OCCUPATIONS, MACHINE TRADES, AND PROFESSIONAL/TECHNICAL/MANAGERIAL OCCUPATIONS -- QUALITY JOBS, MR. CHAIRMAN, OF THE KIND TRADITIONALLY ASSOCIATED WITH DECENT WAGES. THE OTHER THIRD WERE PRIMARILY TRAINED IN CLERICAL/SALES AND SERVICE OCCUPATIONS. THE MEDIAN PROGRAM WAGE WAS $6 AN HOUR. PARTICIPANTS IN THE PROGRAM WHO COMPLETED THE TRAINING PROCESS EARNED, ON AVERAGE, $86 PER WEEK MORE THAN VETERANS WHO DID NOT PARTICIPATE IN THE PROGRAM. THAT REPRESENTS INCREASED EARNINGS FOR THOSE VETERANS AMOUNTING TO ABOUT $4,500 OVER A YEAR, MR. CHAIRMAN.

KEY FINDINGS OF THE REPORT INCLUDE THE FOLLOWING:

--EMPLOYERS REPORTED THAT THE TRAINING COST REIMBURSEMENT PROVIDED THE MOST POWERFUL INCENTIVE TO APPKLY FOR APPROVAL OF A TRAINING PROGARM UNDER EVJTA.

--THE MAJORITY OF EMPLOYERS FELT THE PROGRAM WAS MEETING ITS GOAL OF HELPING UNEMPLOYED KOREAN CONFLICT AND VIETNAM ERA VETERANS MAKE THE TRANSITION FROM UNEMPLOYMENT TO PERMANENT, STABLE EMPLOYMENT.

--FEW EMPLOYERS WERE BURDENED BY THE PAPERWORK INVOLVED WITH EVJTA.

--OVERWHELMINGLY, PARTICIPATING EMPLOYERS INDICATED THAT THEY WOULD HIRE ANOTHER VETERAN UNDER EVJTA.

THE COST OF TRAINING UNDER THE PROGRAM WAS MODEST, MR. CHAIRMAN: A COST OF LESS THAN $5,000 FOR EACH VETERAN WHO COMPLETED THE PROGRAM, A COST PER DROP OUT OF LESS THAN $L,500 PER VETERAN. THE CENTAUR STUDY FOUND THE PROGRAM TO BE WELL-MANAGED, AND TO SELECT THE MOST EMPLOYABLE AMONG THE CERTIFIED VETERANS FOR PROGRAM CERTIFICATION. THIS IS NOT SURPRISING, FOR THE PROGRAM, AS CURRENTLY CONSTITUTED, IS DESIGNED TO HELP THOSE MOST WHO ARE CAPABLE OF PERMANENT, STABLE EMPLOYMENT ONCE GIVEN THE OPPORTUNITY.

MR. CHAIRMAN, THERE ARE STILL HUNDREDS OF THOUSANDS OF VETERANS READY TO ENROLL IN THIS PROGRAM IF NEW CERTIFICATIONS ARE PERMITTED. MY STAFF AND I HAVE TALKED TO REPRESENTATIVES OF STATE EMPLOYMENT SERVICES IN CONTACT WITH UNEMPLOYED VETERANS, AND THEY HAVE ALL REPORTED THAT AN EXTENSION OF EVJTA -- EVEN WITHOUT THE MODIFICATIONS I HAVE SUGGESTED IN THE LEGISLATION I FILED -- WOULD PERMIT HUNDREDS OF VETERANS IN THEIR STATES TO FIND JOBS THAT ARE OTHERWISE NOT AVAILABLE TO THEM.

WHEN ORIGINALLY PASSED BY CONGRESS, $300 MILLION WAS AUTHORIZED FOR EVJTA. TO DATE, LESS THAN $150 MILLION HAS BEEN SPENT ON THIS PROGRAM. A NEW AUTHORIZATION FOR $75 MILLION TO PERMIT NEW CERTIFICATIONS AND THE AUTHORITY FOR A CONTINUATION OF THE MATCHING FUNDS REPRESENTS ONLY HALF THE COMMITTMENT ALREADY MADE TO THE VIETNAM AND KOREAN WAR VETERANS WHO STILL NEED OUR ASSISTANCE.

MR. CHAIRMAN, THE EVJTA IS A PROGRAM THAT HAS WORKED. BUT IT IS ALSO A PROGRAM THAT COULD BE IMPROVED. AND THERE ARE A NUMBER OF RECOMMENDATIONS I ASK THIS COMMITTEE TO CONSIDER REGARDING IMPROVEMENTS TO EVJTA.

FIRST, THE PROGRAM SHOULD FIND A WAY TO MATCH MORE VETERANS WITH JOBS. THE 300,000 CERTIFIED AND RECERTIFIED VETERANS HAVE ONLY OBTAINED SOME 30,000 JOBS -- MORE SHOULD

HAVE BEEN PLACED. THE DEPARTMENT OF LABOR NEEDS TO DEVELOP MECHANISMS TO FIND THE JOBS AND MAKE SURE MORE PLACEMENTS OCCUR.

SECOND, THERE HAS BEEN A 56 PERCENT DROP OUT RATE FOR THOSE ENROLLED IN THE PROGRAM. COUNSELLING AND RELATED ASSISTANCE IS VITAL IN ORDER TO LOWER THAT RATE IN THE FUTURE.

IN S.1073, I HAVE SUGGESTED THAT THE EVJTA COULD BE MADE MORE EFFECTIVE WITH THE ADDITION OF EMPLOYMENT COUNSELLING SERVICES AND THE PROVISION OF ADEQUATE RESOURCES TO MAKE CERTAIN THAT THE PROGRAM AGGRESSIVELY REACHES OUT TO EMPLOYERS. THE MECHANISM I HAVE PROPOSED FOR THIS IS THE AUTHORIZATION OF UP TO 10 PERCENT OF THE APPROPRIATED FUNDS FOR FISCAL YEAR 1986 TO BE USED BY THE EVJTA ADMINISTRATOR FOR THESE PURPOSES. IN ADDITION, I HAVE SUGGESTED EXPLICITLY AUTHORIZING THE ASSISTANT SECRETARY OF LABOR TO DEVELOP A NATIONWIDE COMPUTERIZED JOB BANK AND JOB MATCHING PROGRAM TO HELP IDENTIFY JOB VACANCIES AND AVAILABLE UNEMPLOYED VETERANS FOR THE PURPOSE OF JOB MATCHING.

I BELIEVE THE DEPARTMENT OF LABOR IS ALREADY CONSIDERING INSTITUTING IMPROVEMENTS IN JOB MATCHING FOR EMPLOYMENT PROGRAMS, AND I WOULD HOPE THE COMMITTEE WILL WORK WITH THE

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DEPARTMENT TO INVESTIGATE FURTHER THE POSSIBLE EFFECTIVENESS OF A JOB BANK SUCH AS I HAVE PROPOSED.

FINALLY, I BELIEVE THAT EVJTA COULD BE IMPROVED BY REDUCING THE PERIOD A VETERAN MUST BE OUT OF WORK BEFORE HE OR SHE BECOMES ELIGIBLE FOR EVJTA. FIFTEEN WEEKS IS A LONG TIME TO BE UNEMPLOYED, ESPECIALLY IF YOU ARE AN OLDER WORKER AND MARRIED WITH CHILDREN, AS SO MANY VIETNAM AND KOREAN WAR VETERANS NOW ARE. I RECOGNIZE THAT WE MUST BE MOST CONCERNED WITH THOSE VETERANS WHO ARE TRULY UNABLE TO FIND WORK -- ON THE OTHER HAND, EVEN FIVE WEEKS OF BEING OUT OF A JOB CAN BE DEVASTATING TO ANY INDIVIDUAL, AND THERE ARE SUBSTANTIAL SAVINGS THAT CAN BE MADE IN PAYMENTS OF UNEMPLOYMENT COMPENSATION IF A VETERAN IS PLACED IN EVJTA MORE QUICKLY.

FOR EXAMPLE, THE DEPARTMENT OF LABOR HAS ACKNOWLEDGED THAT IF A VETERAN IS PLACED IN EVJTA AFTER FIVE WEEKS OF UNEMPLOYMENT, THE UNEMPLOYMENT COMPENSATION SAVINGS WOULD BE ABOUT $2,500 FOR THAT VETERAN, AS OPPOSED TO ABOUT $1,300 IF THE VETERAN IS PLACED AFTER FIFTEEN WEEKS. THUS REDUCING THE PERIOD OF UNEMPLOYMENT REQUIRED BEFORE CERTIFICATION COULD REDUCE THE NET COST PER COMMITMENT FOR A VETERAN PLACED IN A JOB FROM $4,000 UNDER THE INITIAL EVJTA PROGRAM TO A RANGE OF $1,500 TO $2,700, ACCORDING TO THE DEPARTMENT OF LABOR.

I URGE THIS COMMITTEE TO AUTHORIZE NEW FUNDS FOR EVJTA AND EXTEND THE PROGRAM FOR AT LEAST ANOTHER YEAR AS SOON AS POSSIBLE.

LET ME CLOSE WITH THE WORDS OF THE DISTINGUISHED LEADER OF THIS BODY, SENATOR ROBERT DOLE, WHO HAS SAID THE FOLLOWING:

"WE FIND OURSELVES PERHAPS DIFFERING ON THE VIETNAM WAR ITSELF. . . WE FIND OURSELVES IN TOTAL AGREEMENT ON ADEQUATE TREATMENT OF VETERANS WHO RETURNED FROM VIETNAM WHETHER THEY BE HANDICAPPED OR NOT."

"IF THEY HONORABLY SERVED THEIR COUNTRY, THEN I THINK OUR COMMITMENT SHOULD BE CLEAR. . . IF IT COSTS EXTRA MONEY, IT COSTS EXTRA MONEY. IF WE HAVE TO APPROPRIATE MORE MONEY, WE HAVE TO APPROPRIATE MORE MONEY, BUT I BELIEVE IN THE LONG RUN THAT IS A NET GAIN FOR THE GOVERNMENT OF THE UNITED STATES."

THANK YOU.

STATEMENT OF DONALD E. SHASTEEN
ASSISTANT SECRETARY OF LABOR FOR
VETERANS EMPLOYMENT AND TRAINING
BEFORE THE
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES SENATE

September 12, 1985

Mr. Chairman and Members of the Committee

I appreciate the opportunity to appear before this distinguished committee and present testimony on the accomplishments we have made in providing employment and training oportunities for veterans. This is the first opportunity I have had to testify before the Congress since being appointed to the position of Assistant Secretary of Labor for Veterans' Employment and Training. I would like to thank you, Mr. Chairman, and the other members for your support not only of myself, but more importantly, of this position and your commitment to ensuring that every veteran who wants to work has that opportunity.

The employment picture has improved markedly over the last two years. The August 1985 unemployment rate for all male veterans is 4.6%, compared to 6.6% for August 1983. These percentages refect 883,000 unemployed veterans in August 1985 and 1,338,000 for August 1983.

The employment situation for Vietnam-era veterans over the age of 30 has also improved considerably over the same period. In August 1983 their unemployment rate was 7.2%, accounting for 482,000 veterans. In August 1985 the unemployment rate was 4.6%, accounting for 328,000 veterans. Clearly the employment situation has improved for veterans. However, Mr. Chairman, I want to reassure the veterans of this Nation, as well as this Committee, that as long as there are veterans needing our assistance in finding work and as long as you allow us to do so, we will be vigorously and continuously trying to put those veterans to work.

While we recognize that the improved employment situation is primarily due to a recovering economy, we certainly feel that the programs we administer have contributed significantly to the employment of veterans. What follows is a brief description of our agency, programs, accomplishments, and several new initiatives which I believe will contribute substantially to serving those veterans still having the most difficult time in finding permanent jobs.

As you well know, Mr. Chairman, the Office of the Assistant Secretary for Veterans' Employment and Training (OASVET) is the single point of reference for all veterans' employment and training programs administered by the Department of Labor

(DOL). The Assistant Secretary serves as principal advisor to the Secretary of Labor in the formulation and implementation of all DOL policies and procedures affecting veterans.

The OASVET is also responsible for administering a variety of veterans' programs through its Office of Veterans' Employment and Training Programs. Under the Job Training Partnership Act (JTPA), grants are awarded to meet the needs of certain veteran target groups and funds are provided for special national veterans' employment programs. In addition, grants are awarded to the States for conduct of the Disabled Veterans' Outreach Program and the Local Veterans' Employment Representative program through the State Job Services. Other activities include provision of management assistance and training in the conduct of a national veterans' outreach and public information program, promotion of compliance by Federal contractors with affirmative action legislative requirements, and general oversight of services provided to veterans through the State Employment Service (Job Service) system.

Also under the OASVET, the Office of Veterans' Reemployment Rights administers the program for handling claims from veterans, reservists and National Guard members for restoration of jobs and seniority and pension rights denied by employers following the claimant's absences from the workplace for military service.

The Office of Field Operations and Administrative Services is the primary management link between OASVET and its field staff of the Veterans' Employment and Training Service. That office also maintains the agency management information system, processes all field directives and provides field staff management and analysis.

In the field, the Veterans' Employment and Training Service (VETS) provides leadership, direction and guidance in the planning and execution of the Department of Labor's veterans' employment and training programs. Administered from the National Office, the VETS consists of a nationwide network of Regional, State and Assistant State Directors for Veterans' Employment and Training Service and Assistant Regional Director, Regional Agents and Area agents for Veterans' Reemployment Rights and clerical support staff. Through that field staff, VETS supervises and provides technical assistance to State Job Service offices and Job Training Partnership Act (JTPA) grant recipients to ensure that eligible veterans receive priority services of counseling, referral, and job placement as required by legislation. VETS staff coordinate job development efforts with employers, labor unions, and veteran and community organizations, and encourage veterans to make use of employment and training services that have been legislatively mandated.

During fiscal year 1984, among their many activities, the VETS field Staff made 1,447 evaluations of large local Job Service offices and 777 management assistance visits to outstationed Disabled Veterans' Outreach Program specialists. In addition, 773 technical assistance visits to JTPA grantees were made and 159 evaluations of JTPA grants were completed. Veterans' Reemployment rights activity included processing of 1,648 individual cases.

I would now like to turn to the Emergency Veterans' Job Training Act of 1983 (Public Law 98-77). This program was implemented in November 1983, of fiscal year 1984. This program is a cooperative effort of the Department of Labor and the Veterans Administration and since its inception had the highest priority among OASVET activities. The program helps relieve severe long-term unemployment among Korean and Vietnam-era veterans by reimbursing employers 50 percent of starting wages, up to a maximum of $10,000, for each veteran hired for a permanent job requiring significant training. The Department of Labor was given the responsibility for informing the private sector about the job training opportunities available, and the advantages of participating in the program established by the Act. In addition, the Department, through the State and Assistant State Directors for Veterans'

Employment and Training Service, and the nationwide network of Disable Veterans' Outreach Program (DVOP) specialists and Local Veterans' Employment Representative (LVERs) was to assist veterans in taking advantage of job training opportunities under EVJTA.

Mr. Chairman, within the Department of Labor, we in the Office of the Assistant Secretary for Veterans' Employment and Training made the EVJTA our number one program priority and have maintained this priority since then. At the national and State levels, we implemented a number of promotional campaigns to reach veterans and employers. We communicated regularly with the Governors and others to urge continuing support for the program at the State level. We established a national goal to place 30,000 eligible veterans into jobs by March 1, 1985, with individual goals for each State. I am pleased to tell you today that we have achieved that goal. We have been successful in putting about 36,000 veterans into on-the-job-training slots under this program.

The latest data from the Veterans Administration indicate that, as of September 1, over 336,000 veterans were certified as eligible for the program with almost 95,000 veterans recertified as eligible. At the same time, almost 52,000 employers have had training programs certified representing about 122,000 jobs.

The Veterans Administration conducted an evaluation of the EVJTA through Centaur Associates, Inc. I would like to present some of the findings from the May 27, 1985, final report of this evaluation which I believe are impressive and significant:

- Generally, the program was well administered and there were few of the problems anticipated as a result of the joint administration of the program.

- In the period July 1, 1984 to March 30, 1985, veteran certifications averaged 9,600 per month while an average of 1,800 veterans became participants - a ratio of 5:1.

- At least 53% of employers heard of EVJTA through the Employment Service and 63% of participating employers received veterans' names from the Employment Service. Of these latter, 85% were satisfied or very satisfied with veteran referrals.

- Over 88% of EVJTA employers had no prior experience with veteran training programs.

- The median program wage was $6.00 per hour.

- Roughly 98% of EVJTA certified veterans had no prior experience with the JTPA programs indicating that EVJTA represented a training opportunity they would not otherwise have had.

I believe we have succeeded in meeting the objective of the EVJTA program in the manner that Congress intended.

Another program which I believe is reaching many veterans who would not probably take advantage of traditional government programs, is Title IV, Part C of the Job Training Partnership Act. Title IV-C requires the Secretary of Labor, through the Assistant Secretary for Veterans' Employment and Training, to conduct programs to meet the employment and training needs of service-connected disabled veterans, veterans of the Vietnam-era, and the veterans recently separated from military service. In program Year 1984, a total of $9.7 million were available. Of this, $7.8 million or eighty percent of the funds available under Title IV-C, were made available to the States and Service Delivery Areas (SDAs) based on State veteran population.

The grants were awarded through a competitive discretionary grant process that resulted in 82 awards out of over 150 proposals that were submitted. One of the criteria used in the evaluation and selection of proposals is the contribution of a cash match or in-kind services. Emphasis on the provision

of a cash match or in-kind services is considered particularly important to obtain maximum effectiveness in the use of Title IV-C funds available. As a result of this approach, approximately $11 Million in match/in-kind contributions were added to the $7.8 million appropriated for Title IV-C projects. For FY 1984 it was projected that over 19,000 veterans would receive services through these programs, with approximately 5,000 being placed in unsubsidized jobs.

Twenty percent, or $1.9 million, of the Title IV-C funds were made available for national or regional programs to meet the special needs of veterans who could not be reached through the grants to States and local governments.

Under Title IV-C, grantees provide the same type of services that are provided under Title II-A -- classroom training, on-the-job training, direct placement, and supportive services. Approximately 80 percent of all grantees under Title IV-C have quantifiable goals in terms of participant enrollments and placements. Almost all Title IV-C grants (and some exclusively) also have goals that are non-quantifiable in terms of specific enrollments and placements.

Non-quantifiable goals relate directly to the mandate that Title IV-C programs cooperate and coordinate with State employment services, other employment and training programs, particularly under JTPA, and providers of services to veterans (particularly through the Veterans' Administration).

Most Title IV-C programs have outreach, public information, and counseling efforts that not only have as their objective to enroll veterans in their own program, but also inform them of their eligibility for other services. Some Title IV-C programs act as a coodinating arm, linking many veterans' service providers together. Other Title IV-C programs concentrate on contacting and informing the private sector about the benefits of employing veterans. Still others concentrate almost entirely on forming strong cooperative relations with State employment services and/or EVJTA components, and act as referral agents.

Innovation, local initiative, flexibility, and obtaining commitments from other organizations for services above and beyond what are currently being provided have been major parts of the Title IV-C approach. Following are examples of programs funded through the "80%" and "20%" program:

80% PROGRAM EXAMPLES. The Winne-Fond Lake Consortium of Oshkosh, Wisconsin, a small program of under $50,000, is initiating and testing a model program of "Veterans' Life Planning" in an institutional setting to reverse and overcome negative values or self-images of target veterans which are perceived as obstacles to employability. They plan to review results, modify where necessary and disseminate the course for wider application. The program will also follow up participants completing

the Life-Planning Program to insure appropriate job development or supportive service provisions through a post-program network support system. The program plans to enroll 120 veterans, and place 48 of them in jobs. The consortium is providing $38,000 in matching funds.

The Southeastern Utah Association of Governments, a small consortium grantee will retrain and place as many as possible of the 20 planned participants (80% projected successful placement rate), who were dislocated by energy-related plant shutdowns, into non-energy related demand occupations through institutional classroom training, on-the-job training programs and multiphase placement assistance. The $45,000 federal grant is matched by over $70,000 in local funds.

In New York City, the grantee, with $180,000 in federal funding and an even greater match, plans through subcontract to enhance existing JTPA service levels and secure unsubsidized private sector employment for target group veterans. Through assessment, career counseling and job search assistance there are expected to be 170 referrals resulting in 119 (70%) unsubsidized placements. Using a contractor, the program will enroll twelve (12) additional target group veterans in occupational skills training, which will result in unsubsidized placement for nine (75%) of those participants. One hundred sixty-three

(163) veterans already receive services from that contractor through JTPA II-A funding. Those comprehensive services include outreach and recruitment, orientation and "world of work" workshops, career counseling and targeted job development.

In Suffolk County, New York, the grantee plans to enhance current services through development of a comprehensive service delivery package supplemented by State Vocational Education Act training funds, utilization of the Targeted Jobs Tax Credit programs and promoting additional matches through the EVJTA. The core JTPA title II-A and IV-C integrated program consists of a comprehensive outreach program to target group veterans and 2,500 area employers resulting in provision of employability development/skills upgrading services to 27 target veterans, and vocational education short-term classroom training for 15 target veterans followed by employer-specific on-site training, resulting in eventual unsubsidized employment for 30 veteran participants. Funding for this project is about $60,000, and the matching amount is over $100,000.

In New Mexico, the State employment service is working with the local Vietnam Veterans Leadership Program to provide a mechanism using the workshop approach through which veterans' service providers can work to improve their activities, and eliminate duplication of effort. They will mount an intensive statewide outreach and public information campaign which will

maximize job and training opportunities and identify veterans in need of direct service or referral to the appropriate training or supportive service agency through developed linkages. A major component will be outreach to American Indians. Federal funding is approximately $45,000, with a match of over $70,000.

The State of Maryland is using its Title IV-C award to establish a network to improve linkages between all veterans' service providers within the State. It will also perform a needs assessment within each of the 11 SDAs in the State, and enhance outreach and referral mechanisms through the establishment of a statewide "Hot-Line" for veteran applicants. An ongoing public information campaign targeted to the employer community will also be implemented. Wagner-Peyser Act services will also be enhanced, by providing additional education and training opportunities. The federal grant is slightly over $100,000 and is matched by $130,000 from the State. Approximately 5,000 veterans are expected to receive services.

A statewide project with Employment and Developmental Systems, Inc., of Indiana, is enhancing existing services provided by all 17 SDA's in the State through "brokering" these funds to SDA's to increase the volume of services provided to target group veterans by at least 50%, many of whom might not otherwise be served. Through the recipient's administrative supervisory role, it promotes utilization of the EVJTA in cooperation with the State Job Service. Through outreach and

public information, a goal is to develop maximum job and job training opportunities, coupled with job search assistance, work experience and institutional training, thus maintaining an extensive service delivery network with full utilization of linkages. The grant of over $100,000, which has a 100 percent match, is expected to enroll and serve 1500 veterans, and place 174.

In Georgia, a statewide project will provide outreach to benefit 25,000 unemployed target group veterans, encourage voluntary assistance of private sector veteran volunteers, and encourage employers and supportive service agencies to provide resources to veterans and assist veterans to utilize services and training available to them. Additionally, it will plan, organize and implement 14 small business loan seminars; place 180 veterans in unsubsidized employment through 300 employer contacts, and refer 750 veterans to employment and training opportunities. The federal grant is slightly over $80,000 and has over a 100 percent match.

Through a "Vouchered Training for Veterans" (VTV) program in the city of San Diego, California, approximately 70 eligible veterans will be enrolled in training with emphasis on those who may not be adequately served by other employment and training programs. It will provide comprehensive service responsive

to individual needs, making maximum use of existing employment and training opportunities and supportive services through utilization of existing nonfinancial linkages. Quantitative standards, including development of on-the-job training (OJT) positions for 30 target veterans, provision of skills training to 32 participants and ensuring that eight others enter training under the EVJTA, will yield a total of 26 unsubsidized placements. The federal grant of $100,000 has a match from the city of over $110,000.

In Arkansas, the Employment Security Agency is preparing to implement five employer seminars designed to acquaint employers with the employment and training needs of the targeted veteran categories; develop through subcontract and distribute six public service announcements to stimulate veterans/employer interest and produce two 6-7 minute video tapes for television broadcast to further encourage interest in the eventual coupling of target group eligible veterans in need of employment and/or training with employers. This will enhance utilization of JTPA and EVJTA. The $50,000 federal grant is being matched with $30,000 from the state.

20% SET-ASIDE. True to the spirit of the Act and the implementing regulations, a wide variety of projects have been funded out of the Secretary's 20% set-aside. Projects have been funded that involve research, pilot demonstrations, technical assistance, national outreach and public information, and employment

and training programs of a special nature. In fiscal year 1983 and the transition year, major projects were funded with such organizations as the Blinded Veterans Association, the National Urban League, and the American G.I. Forum. A major interagency agreement and transfer of funds, in conjunction with the Department of Health and Human Services, was provided to ACTION in order to implement nationally the Vietnam Veterans Leadership Program (VVLP). For the $625,000 Department of Labor contribution, approximately 5,900 veterans received direct job placement in unsubsidized jobs or were placed in training programs assisted by the EVJTA or the JTPA. In California a major survey project validated the demographics of employment and training data on veterans, and for the first time keyed in on Native American veterans' participation in employment and training programs.

The following summaries provide detailed descriptions of projects funded in Program Year 1984, displaying the wide variety of programs funded under the "20%" authority:

GRANTEE: City of Philadelphia
Office of Employment and
Training
1234 Market Street
Philadelphia, PA 19107

GRANT NUMBER: E-9-M-5-0095

JTPA IV-C (20%) funding $200,000

PERIOD OF PERFORMANCE 1/14/85 - 12/13/85

This grant was awarded to continue operation of the Vietnam Veterans Multi Service Center in the Philadelphia Metropolitan Area. The Center serves Vietnam-era veterans who are disabled, disadvantaged and/or displaced workers, offering them training and job placement services designed to help overcome multiple barriers to career employment. The Center's program activities offer outreach, counseling, employability assessment, training, job placement and support services by utilizing the combined resources of other social service agencies and community organizations that are members of the Philadelphia Veterans Service Coordinating committee. The Center strives to reach veterans with poor work histories, minimal educational levels and low income in order to help them acquire the skills and job opportunities needed to become economically self-sufficient. In 1984 the Center, jointly funded by the Department of Labor and the

Philadelphia Office of Employment and Training, served over 2,000 veterans and placed 461 in meaningful, unsubsidized jobs.

GRANTEE: Blinded Veterans Association
1735 De Sales Street, N.W.
Washington, D.C. 20036

GRANT NUMBER: E-9-M-4-0054

JTPA IV-C (20%) funding

$450,114
($222,816 - 10/1/83 - 9/30/84)
($227,298 - 10/1/84 - 9/30/85)

PERIOD OF PERFORMANCE

10/1/83 - 9/30/85

The Blinded Veterans Association (BVA) serves as a resource, advocate and service provider in fostering the employment of blind veterans. The Association acts as a resource for Local Veterans Employment Representatives (LVERS) by providing information and training for identifying individual blind veterans within each SDA. BVA also serves as an advocate for blind veterans. For example, most blind veterans receive rehabilitation services through VA programs and are then registered for employment. However, potential employers seeking to hire blind workers most often contact the State Agency serving

the civilian blind. BVA is actively seeking to have blind veterans register with State rehabilitation agencies, and at the same time is working to overcome state agency bias towards Braille capability as a standard for employability. This is a significant barrier as most veterans blinded in adult life are more skilled in other methods of written and oral communication using more recent technological developments. In addition, the BVA provides service through its own employment program involving federal, private sector and self-employment initiatives. The Association encourages blind veterans to take advantage of special opportunities for Federal employment and assists in preparation and distribution of applications. BVA serves as a resource to federal and private sector employers by performing job surveys and analysis for use in modifying job functions to make it possible to hire blind workers. When appropriate, BVA assists in development of self-employment and serves as liaison with other agencies and organizations such as the Small Business Administration. The Blinded Veterans Association is using DOL grant funds in a concerted effort to help blind veterans become economically independent through meaningful employment.

GRANTEE: Illinois Department of Employment Security
910 S. Michigan Avenue
Chicago, Illinois 60605

GRANT NUMBER: E-9-M-5-0053

JTPA IV-C (20%) funding $48,000

PERIOD OF PERFORMANCE 10/15/84 - 4/14/85

Administered through the Illinois Department of Employment Security, services were provided by the National Job Service Employer Committee (NJSEC) which is composed of employer committee chairpersons from each of the 50 States. This unique voluntary organization actively involves more than 22,000 employers in over 1,000 local, State, regional and national Job Service Employer Committees (JSECs). The members are representatives of large, medium and small business directly responsible for their corporation's employment and training functions. The organization promotes private sector involvement in JTPA programs and advises the Department of Labor on employment and training issues and program effectiveness. The NJSEC is very useful in obtaining employment and training oportunities for veterans. The Title IV-C grant funds were awarded to use the National Job

Service Committee's State and local employer network in promoting private sector understanding of participation in programs related to the EVJTA. Special efforts were made to strengthen private and public sector linkages and develop programs hiring veterans under the EVJTA.

GRANTEE: City of Oakland
Social Service Department
659 14th Street
Oakland, CA

GRANT NUMBER: E-9-M-5-0149

JTPA IV-C (20%) funding $290,000

PERIOD OF PERFORMANCE 5/21/85 - 5/20/86

The City of Oakland's Veterans Employment and Veterans Advocacy (VEVA) program provides targeted outreach and employment services and plan to serve at least 1400 primarily Black veterans in the Oakland area. Three sites are being established in location with high Black veteran unemployment. VEVA works through a coordinated multi-purpose center and program designed to provide services aimed at removing employment barriers, especially for those Black veterans who are disable, Vietnam-era or recently

separated. Services offered include outreach, public information, counseling, job readiness assessment, job development, training and referral, job placement and follow-up. VEVA expects to place at least 350 Black veterans in unsubsidized jobs through its coordinated job development and placement activities. VEVA case managers work with the support of a service network that is enhanced by other programs and is supplemented generously by donated resources.

GRANTEE: American G.I. Forum
National Veterans Outreach
Program
1017 N. Main, Suite 200
San Antonio, TX 78212

GRANT NUMBER: E-9-M-5-0137

JTPA IV-C (20%) funding $200,000

PERIOD OF PERFORMANCE 2/18/85 - 11/17/85

The American G.I. Forum is a national veterans organization composed primarily of Hispanic veterans. The Forum has been operating a highly successful National Veterans Outreach Program sinch 1972. This JTPA Title IV-C grant is supporting training

and employment activities targeted to serve veterans in areas of high Hispanic unemployment. The program will operate in San Antonio, McAllen and Brownsville, Texas, Los Angeles, and Chicago. Vietnam veterans are a primary target for services as they comprise 78% of all Hispanic veterans. The American G.I. Forum's National Veterans Outreach Program pioneered the concept of outreach and storefront operations which are now carefully integrated with the services of the job development system to maximize employability and referral services to at least 615 veterans during this grant period. At least 378 of these veterans are expected to be placed in meaningful employment while approximately 40 additional veterans will be placed in training slots through the EVJTA. The Forum is also encourageing employers to create at least 100 new training slots under the EVJTA.

GRANTEE: National Puerto Rican Forum
450 Park Avenue South
New York, New York 10016

GRANT NUMBER: E-9-M-5-0144

JTPA IV-C (20%) Funding $200,000

PERIOD OF PERFORMANCE 4/1/85 - 2/28/86

The National Puerto Rican Forum, Inc., founded in 1957, is the oldest and largest national Puerto Rican non-profit community organization in the mainland United States. The Forum is using Title IV-C funds to provide pre-employment and job placement services for Hispanic veterans who are recently separated, disabled or veterans of Vietnam. The Forum's Veterans Career Services and Job Placement Program will operate the program through three centers in New York City, Cleveland and Miami. Overall the program expects to recruit 905 applicants and place at least 462 in meaningful jobs. Services provided participants include testing and employability assessment, work orientation, job-search assistance, and career counseling.

GRANTEE: Social Educational Research & Development, Inc. (SERD)
5225 Wisconsin Ave., N.W.
Suite 601
Washington, D.C. 20015

GRANT NUMBER: E-9-M-5-0153

JTPA IV-C (20%) funding $250,000

PERIOD OF PERFORMANCE 5/21/85 - 5/20/86

Grant funds are being used to provide employment and training services for Black veterans in three locations where Black veteran unemployment is high: Los Angeles, Houston and Chicago. SERD is establishing job search clubs which provide intensive training in job search skills including indentifying and successfully competing for job opportunities. Each site will operate for six job search club cycles; a total of 306 veterans will be served. This is a performance based grant which is to be paid according to a formula which provides incentives for meaningful job placements and follow-up. It is expected that 189 veterans will be placed.

In summary, it appears that programs operating under Title IV-C are meeting the mandates of the legislation. Besides directly enrolling and placing veterans in unsubsidized employment, Title IV-C programs are acting as catalysts in coordinating with other veterans' service providers and other employment and training programs. The results are a more efficient and effective delivery system in many areas of employment and job training for veterans.

Two of our programs having far reaching and positive effects are the Disabled Veterans' Outreach Program and Local Veterans' Employment Representative program. Both programs are administered by the OASVET and operated through the State Job Services

under grant agreements. The DVOP was established as a permanent program in the Department of Labor by the Veterans Rehabilitation and Education Amendments of 1980 (Public Law 96-466). The major objective of the program is to locate jobless disabled and Vietnam-era veternans and help them find suitable training and employment.

Approximately one-fourth of the nearly 2,000 DVOP staff are stationed at agencies such as the Veterans Administration and other non-Job Service facilities. The remainder of the staff are stationed at State Job service agencies where they offer such services as outreach, job development and peer counseling.

The number of DVOP staff is determined by population formula (one DVOP position for each 5,300 disabled and Vietnam-era veterans in the State's population). In fiscal 1984 there were 1,980 DVOP staff who contributed to the placement of more than 28,000 disabled veterans.

Local Veterans' Employment Representatives (LVERs) working in local Job Service Offices are responsible for providing various types of assistance related to employment and training of veterans. Their responsibilities include: job development activities; helping match eligible veterans with job and training opportunities; maintenance of current listings of available

job and training opportunities; encouraging employers and labor unions to include veterans in on-the job training and apprenticeship programs; coordination with VA officials; and monitoring and evaluating Job Service Offices to ensure priority services to veterans. In fiscal 1984, 1,492 LVERs contributed significantly to the placement of about 504,000 veterans by the Job Service.

The key to the success of many of our pgorams is the National network of Job Service offices. The Job Service is much more than a program, it's a system than has been able to react to changing priorities and needs of the labor market and still provide veterans with priority services.

Mr. Chairman, because of changes to our reporting system, I am unable to present the data for the most recent 12 month period. Accordingly, I am presenting comparisons between Fiscal Years 1983 and 1982, the periods for which we have complete comparable data. In addition, I have included highlights of the most recent data available, although it is only for six months.

Over 2 million veterans registered or renewed their applicatons with local offices of the Job Service in fiscal 1983. This represents an increased veteran registration/renewal of about 220,000 (12.2 percent) from fiscal 1982. The number

of Vietnam-era veterans applicants increased 10.6 percent from the previous fiscal year--from 821,324 in fiscal 1982 to 907,944 in fiscal 1983. Disabled veteran applications increased by 3 percent, from 84,445 in fiscal 1982 to 87,130 in fiscal 1983. Those figures compare to an increase of 8.9 percent for all persons who registered or renewed their applications with the Job Service in fiscal 1983 compared to fiscal 1982. Of the 3.2 million persons who found employment through the Job Service in fiscal 1983, 443,275 (13.9 percent) were veterans.

The job placement rate for veterans in fiscal 1983 declined slightly by .7 percentage points from the rate in fiscal 1982, (from 22.6 to 21.9 percent). However, veterans had a job placement rate of 21.9 percent, higher than all Job Service applicants, who were placed at a rate of 20.7 percent. Although Vietnam-era veteran placements increased from 192,737 in fiscal 1982 to 211,117 in fiscal 1983, their placement rate decreased slightly from 23.5 percent to 23.3 percent respectively.

Disabled veteran placements also increased from 27.6 percent to 28.1 percent between fiscal 1982, with 23,319 placements, and fiscal 1983 with 24,507 placements. In addition to placement services, 187,143 veterans were counseled and 607,086 received job development services during the year.

Described below are highlights regarding services to veterans for the first six months of Program year 1984, the period of July 1 through December 31, 1984. During that period, over 1 million veterans registered or renewed their applications with the Job Service. This accounts for 12.9 percent of the 8.2 million total applicants. Over 186,000 veteran applicants were placed in jobs, for a placement rate of 17.5 percent. In addition, over 88,000 Vietnam-era veterans and over 11,000 disabled veterans were placed, for placement rates of 18.1 percent and 21.1 percent, respectively. Counseling was provided to 102,140 total veterans, 50,774 Vietnam-era veterans and 11,297 disabled veterans in that period.

A program which I plan to make our top priority in Fiscal Year 1986 is the Federal Contractor Job Listing program. The Federal Contractor Job Listing (FCJL) Program implements the provisions of Title 38, U.S.C., Section 2012, which requires Government contractors to take affirmative action to employ and advance in employment disabled veterans and veterans of the Vietnam-era. Under these provisions, Federal contractors are required to list with Job Service Offices all bona fide job openings that occur during the performance of their contracts. The Job Service is, in turn, required to provide priority referral of qualified, eligible veterans to those openings.

The law applies to all firms (and hiring locations associated with firms) holding Federal contracts or subcontracts of $10,000 or more.

In fiscal 1983, the number of job openings listed under the FCJL program declined 10.6 percent from that in fiscal 1982 - from 390,000 to 349,000 openings. During the same time, the number of individuals placed declined by 5.7 percent. The number of Vietnam-era veterans placed remained consistent at about 26,000 while they increased as a percent of total placements from 10.4 percent to 11.1 percent.

In the first six months of Program Year 1984, there were over 227,000 job openings received from Federal contractors, but the number of Vietnam-era veterans placed in those job was 17,154 out of 148,406 total placements, or 11.6 percent, about the same percentage as the Fiscal Year 1983 rate of 11.1 percent. Special disabled veterans represented about .7 percent of total applicants placed in Federal contractor jobs, 1,036 of them placed out of 148,406 total placements. Of the 51,438 Vietnam-era veterans and 2,522 special disabled veterans referred in that period, Federal contractors hired 17,154 and 1,036 of them for respective placement rates of 33 percent and 41 percent.

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As I mentioned at the beginning of my statement, we are in various stages of planning and operating several new initiatives which I believe will assist those veterans hardest to place in permanent jobs as well as those veterans recently separated from military service. One of those projects we refer to as the "Colorado Project". It is a national program grant of nearly $100,000 to the State of Colorado in support of the Colorado Veterans' Partnership Progam (CVPP). Membership in the CVPP includes Colorado's veterans organizations, veterans's advisory boards, and Federal, State and local governmental agencies. This new and innovative program is designed to increase the availability and quality of services to veterans through the coordination and cooperation of all interested parties.

The Colorado project is expected to demonstrate that a large number of veterans' organizations and agencies can unite around common goals and operate programs in a more efficient and effective manner. Organizations participating in the program are expected to provide services to an estimated 108,000 veterans, resulting in veterans obtaining employment, becoming self-employed, obtaining training, completing Job Search Workshops, securing needed medical, housing and other services such as counseling, and discharge upgrades. It is estimated

that at least 800 eligible veterans will secure permanent employment as a result of services received.

A component of the Colorado Project calls for development of an employment and training demonstration program to use existing resources to house, feed, counsel and train homeless veterans with the ultimate goal of providing a permanent job. This part of the program can potentially serve as a model for dealing with homeless and chronically unemployed veterans.

Another special effort which is nearly ready for implementation is the Separation Briefing Program. This is a pilot project being conducted through the Employment Security Commission of North Carolina in cooperation with the Office of the Assistant Secretary of Labor for Veterans' Employment and Training (OASVET) and the Department of Defense. The objective of this project is to develop a uniform approach for providing information briefings to military personnel being separated from active duty that will assist them in obtaining employment in a more timely manner.

Many military installations provide some information to "soon to be separated" military personnel. However, the focus is often on "benefits" and not directed toward assisting military separatees in their return to civilian life and re-entry into the civilian labor force.

Delays in obtaining employment contributed to $146 million in unemployment compensation paid to ex-service members in Fiscal Year 1984. The DOD unemployment compensation for ex-service members expenditure is expected to reach $178 million for Fiscal year 1985. We believe that providing employment assistance before being separated from the military will cut down on the length of time that a veteran is unemployed and thus reduce Federal expenditures.

Finally, a third initiative which we hope to launch by Veterans' Day on November 11, 1985, is a joint venture with the Veterans Administration to undertake a comprehensive employment assessment program. The successful readjustment of veterans into civiliam life is a mutual responsibility of the Department of Labor and the Veterans Administration. To this end, both agencies are committed to active cooperation and coordination in the implementation of programs serving veterans. The objective of this cooperative effort is successful vocational rehabilitation, adjustment and job placement for veterans without duplication, fragmentation or delay.

An important element of the many services needed by veterans is that of employment counseling. This is especialy significant as we put more and more veterans back to work while, at

the same time, assisting those who require specialized services. This special effort proposes that the Veterans Administration and the Department of Labor highlight the availability of counseling through the Veterans Administration as well as the Job Service and is expected to generate increased use of existing services of both agencies. Concentration will be on identifying veterans who need and want professional employment counseling and ensuring that such counseling is provided.

The key to this special effort will be the implementation of procedures which ensure that participating veterans will know where to go for help and that they will be assured of assistance throughout the process. Another essential part of the program will be the development of local agreements to link the services provided by each agency so that continuous follow-up is provided for each individual until they are employed or reach an alternative objective. We will of course, assign functions and responsibilities in accordance with agency missions.

Mr. Chairman, this concludes my formal statement. I will be pleased to respond to any questions you or other members may have.

STATEMENT OF

R. J. VOGEL

CHIEF BENEFITS DIRECTOR

VETERANS ADMINISTRATION

BEFORE THE

SENATE COMMITTEE ON VETERANS' AFFAIRS

SEPTEMBER 12, 1985

Mr. Chairman and Members of the Committee:

I am pleased to be here today to provide you with information about our administration of the Emergency Veterans' Job Training Act of 1983, commonly called the EVJTA, and the program of special incentives for employers under chapter 31.

Since the enactment of the program in August 1983 and up through September 3, 1985, close to 36,000 veterans have been placed in jobs under the EVJTA. Nearly $123 million have been obligated through the same date. I would also like to report that the number of employer applications received advanced from over 30,000 in early September of 1984, to over 55,000 as of September 3, 1985.

Mr. Chairman, the EVJTA was enacted to deal with an unemployment problem that was very critical. However, the employment situation for veterans has improved significantly. For example,

in August 1983 the unemployment rate for Vietnam-era veterans in the 35 to 39 age category was 6.2 percent. By August 1984 the rate had dropped to 5.4 percent, and by July 1985 the unemployment rate stood at 5.0 percent.

Mr. Chairman, I would like to say a few words here about the report from Centaur Associates, Inc. This is actually the third evaluation report called for by the Senate Committee on Appropriations. The first interim report, dated March 1, 1984, was prepared by the Veterans Administration. It addressed the initiation of procedures and the processing of applications under EVJTA. The second interim report, dated May 25, 1984, was prepared by Centaur. This report addressed the conduct of training under the EVJTA from the beginning of the program through April 16, 1984. The third report, dated May 27, 1985, and also prepared by Centaur, documents the evaluation of the overall operation and impact of the program. A fourth report will follow in December of this year, and will analyze the short-term net impact of the EVJTA program. This will be followed by a fifth report in September 1986 that will detail the longer-term net impact of the EVJTA program.

The report at hand, the third report, indicated that, in general, the program has been well managed by both the Veterans Administration and the Department of Labor. Centaur also found

that nearly two-thirds of participating veterans have been trained in structural work occupations, machine trades, and professional, technical, or managerial occupations. According to the report, participating veterans were paid an average of $6.41 per hour while employed in their training positions. Those veterans who completed the program averaged $6.77 an hour. The majority of EVJTA employers, it turns out, are small companies, nonunionized companies, and companies in the manufacturing, services, construction, or retail trade sectors. The study estimates that the average direct cost of training is $3,000.

We were pleased with some of the findings in the specific area of program administration. One such finding was that the potential problems that could result from a program with responsibility and authority distributed across several organizations and agencies did not exist. The study also found that strong leadership and coordinated roles of the various agencies involved enhanced program implementation and minimized duplication of effort. Another finding in this area was the indication from employers that, when compared with other job-training programs, EVJTA has relatively little paperwork and "red tape."

Participating employers were asked whether they would have hired the veteran if a training cost reimbursement had not been available under the EVJTA. The majority of employers (63 percent) indicated that they would have hired the veteran with or without

the availability of the training cost reimbursement. The Centaur report does indicate, however, that it was not clear that employers would have been successfully matched with veteran trainees without their involvement in EVJTA. About one-third of participating employers specified that they would not have hired the veteran without a training cost reimbursement. The reason given was that these employers did not have the resources to pay an additional employee. In this regard, and perhaps not surprisingly, employers reported that the training cost reimbursement provided the most powerful incentive to apply for approval of a training program under EVJTA.

When requested, the VA furnishes employment counseling services to assist veterans eligible under EVJTA in selecting a suitable program of job training and to assist them in overcoming problems encountered in adjusting to training and employment. In order to be eligible for employment counseling, veterans must have either been issued a Certificate of Eligibility or have their application approved for issuance of a certificate. We have provided employment counseling services to 22,072 veterans through June 1, 1985. To assure that these veterans receive the benefits and services for which they are eligible and select those which best meet their needs, counseling includes review of the veteran's eligibility under chapter 31 and other VA programs. As part of this review, VA staff determines if a veteran with a service-connected disability evaluated at less than 30 percent may, nevertheless, have a serious employment handicap. A positive

finding provides the service-disabled veteran with 15 months of entitlement to on-job training rather than the 9 months otherwise available. To date, 408 such determinations have been made.

We are particularly concerned with service-disabled veterans who may also be eligible for assistance under chapter 31. In December 1984, we undertook an outreach effort to those service-disabled veterans who had requested assistance under EVJTA but were not yet employed. Almost 2,800 veterans were contacted and advised of their potential eligibility for services under chapter 31. These contacts resulted in 932 applications for services. Currently, 174 of these veterans are receiving services under chapter 31.

Mr. Chairman, in addition to updating the Committee on EVJTA, you asked that we include information regarding the provision of incentives to employers to hire service-disabled veterans who have completed their training under chapter 31.

On July 19, 1985, we issued instructions which implement provisions of law and regulation under which the VA may make such payments. This program is targeted for veterans who have completed their training under chapter 31 and, therefore, meet the general requirements for employment in their chosen field, but have nevertheless been unsuccessful in securing employment despite the efforts of the VA and other agencies to place them.

The reasons for placement difficulties may include a veteran's lack of work experience, an employer's special training requirements, a lack of physical access to the place of employment because of the severity of the veteran's disability or other reasons. Under these circumstances, the VA may generally authorize up to 9 months of on-job training or work experience to facilitate placement. The employer is reimbursed for direct expenses incurred in training for up to a maximum of 50 percent of the veteran's wage. Only employers in the private sector may participate in this program.

Since instructions have only been recently issued, we do not as yet have any data regarding program utilization. We believe this program fills a real need, and expect that it will aid us in placing disabled veterans in suitable employment.

Mr. Chairman, that concludes my statement. I would be happy to answer any questions you or other members of the Committee may have.

Statement of

The American Legion

1608 K STREET, N. W.
WASHINGTON, D. C. 20006

by

PAUL S. EGAN, DEPUTY DIRECTOR
NATIONAL LEGISLATIVE COMMISSION
THE AMERICAN LEGION

before the

SENATE COMMITTEE ON VETERANS AFFAIRS

on

OVERSIGHT OF EMPLOYMENT AND TRAINING
PROGRAMS FOR VETERANS

September 12, 1985

Mr. Chairman and Members of the committee, The American Legion appreciates this opportunity to present its views on employment training programs available to veterans at the present time as well as on employment and training programs that might wisely be made available to veterans in the future. The programs currently available have been created, organized and tailored over the last several years to address a wide range of specific veterans economic needs. Toward that end, Congress generally, and the Veterans Affairs Committees of the House and Senate particularly, have been highly receptive in providing the leadership necessary to pass legislation either continuing older programs or creating new ones so as to establish a body of programs and services for this nation's most recent generation of veterans. This generation of veterans, unfortunately, continues to need economic readjustment assistance.

Apart from the unique readjustment problems sustained by a generation of veterans having participated in the most unpopular war in America's history, the economically and socially volatile period during which the war was fought, up through and including the present time, has imposed a particularly serious economic readjustment hardship upon the Vietnam generation. Those having served instead of completing their education or career training as early as their nonveteran peers, entered the job market at a much more unfavorable time. Moreover, because of military service, veterans have and continue to suffer a competitive disadvantage compared to similarly aged nonveterans.

Unfortunately, the effects of this phenomenon have been felt up to the present time. Veterans having completed their education or training later than nonveterans have found themselves in a job market in which the minimum education or training required for entry level positions has expanded beyond what would have been required had the veteran completed the same training earlier instead of serving in the military. Of those that have found jobs, general economic down turns have created yet another phenomenon working against the veteran. This situation is best characterized by

veterans having been the last hired and suddenly finding themselves at the head of the list to be first fired or laid off.

Even though the Vietnam conflict was officially ended in 1975, economic readjustment problems persist. In that regard,there can be no other explanation for the fact that each time the national economy slows down or enters recession, veteran unemployment levels rise precipitously ahead of those for similarly aged nonveterans.

As we now know from the release of the first findings of a study being undertaken by The American Legion in conjunction with Columbia University, relative economic disadvantages even exist among veterans similarly educated but differentfated by exposure to combat. In the findings of the first part of this study,veterans exposed to intense combat in Vietnam are now earning an average of $3,000 - $4,000 less than similarly aged noncombat veterans. Moreover, combat versus noncombat experience was found to have had an independent effect on earning power. Also found in this study was the fact that intense combat experience had a significant effect on marital status. Those with combat experience had divorce rates significantly higher than those without.

These findings are raised here, because it is likely that what was found among those sampled in the study is likely to constitute only the tip of the iceberg. Those sampled in the study were all members of The American Legion. Since individuals joining community service organizations like The American Legion are typically well adjusted to their communities. it must be assumed that the variance between these individuals and those insufficiently integrated to join any organization is great. Assuming this to be the case, income levels among combat veterans other than those sampled may be far lower than those of the combat veterans in the study and divorce rates far higher.

Against this background, five programs are currently available. These include the Emergency Veterans Job Training Act (EVJTA), the Job Training Partnership ACT (JTPA), the Veterans Readjustment Appointment Authority program (VRA), the Targeted Jobs Tax

Credit program (TJTC) and a program that in our view has never been properly enforced requiring federal contractors to hire available and qualified veterans.

The webbing that holds these programs together is the network of Job Service offices located in communities across the country. Local offices are partially staffed by Local Veterans Employment Representatives (LVER s) and Disabled Veterans Outreach Program specialists (DVOP s), people whose work falls within the jurisdiction and guidance of the Office of Assistant Secretary of Labor for Veterans Employment and Training (OASVET) and that office's Veterans Employment and Training Service (VETS). In surveying each of these programs and how they are or are not working, it is clear to the Legion that the entire package of programs is diminishing rapidly in spite of the fact that ongoing assistance is needed and that more, rather than less, assistance should be made available.

The emergency jobs training program was originally crafted to meet the needs of veterans displaced by the most recent recession in 1981-82. Instead of being designed to assist hard core or structurally unemployed veterans, it was designed to assist job-ready veterans who already had sufficient education and or skills to be employable prior to being fired or laid off by enterprises in declining industries or those hardest hit by recession.

By and large, EVJTA did what it was supposed to do even though it got off to a late start because of appropriations delays, and even though far fewer veterans were placed in training for new employment than the number of veterans having been out of work for 15 of 20 weeks prior to being certified as eligible to participate. On this latter point, some have criticized the program as failing to live up to expectations. We disagree, noting the population of veterans the program was directed to assist. As we see it, EVJTA has been very successful in matching those veterans most job ready with appropriate employer trainers.

Others have criticized this program citing the Centaur Associates, Inc final

report evaluating the EVJTA. In that report it is stated that, "based upon their experiences with specific veterans hired under EVJTA, most employers reported that they would have hired those veterans even if no training cost reimbursement had been available". According to this argument, the same number of veterans would have been employed whether or not the program existed. To the critics of EVJTA, this means that the program may have been a waste of federal dollars.

On closer examination, however, this argument fails for two reasons. First, the report itself contains the caveat that employer response, "reflects satisfaction with the veterans employed. The response does not address the likelihood that an employer would have identified and hired the veteran in the absence of the program."(Emphasis added)

The second reason is that even if the Centaur study had concluded that veterans hired would have been hired without the program, a finding of this nature based on employer satisfaction with veterans actually hired would be highly suspect. Without the program, there would have been no program mechanism to match available and potentially qualified veterans with appropriate training programs. Neither the veterans ultimately employed nor the employers in need of personnel would ever have discovered one another's existence.

Yet another criticism of the program stemming from the Centaur report is the completion and dropout rates of those veterans who were placed in training programs. Of some 11,000 participants in the program prior to July 1, 1984, it was estimated that the program completion rate was 44 percent and the dropout rate was 56 percent. While these rates might seem alarming at first blush, we suspect these rates compare favorably to other federal employment programs. We wonder, for example, how dropout rates compare with CETA in its day or JTPA. Without having the precise data at hand, it is also suspected that the cost per participant in EVJTA of $3,011 is cheaper than was the case under CETA and cheaper than is currently the case under JTPA.

Further regarding the dropout rate, the Centaur report estimated that of the 56 percent who dropped out, 40 percent were terminated involuntarily with the remainder opting out of their own accord. Those having dropped out voluntarily may very well have selected training or employment under either the Targeted Jobs Tax Credit Program or title 3 of the JTPA (intended for displaced workers) as more expeditiously suited to their needs. Those having dropped out involuntarily most probably were poorly matched with employers and non-job-ready because of other problems stemming from PTSD, marital problems, alcohol problems, drug abuse problems or any of a variety of other problems stemming from extended unemployment and extreme financial uncertainty.

On balance, it is our view that the program has worked well in accomplishing its intended purposes and should be allowed to continue with a few modifications. The first of these should respect the principle that even though the program originated as an emergency program and even though that emergency has ended, the program's utility for job-ready, but still unemployed veterans is undiminished. Likewise, even though national unemployment levels for veterans have decreased to the extent that they are comparable to similarly aged nonveterans, the history of veteran unemployment level sensitivity to economic downturns make it wise policy to keep the program in place. Beyond the preparedness function this program would play if extended, there are still many job-ready veterans who are unemployed in many regions of the country who could benefit. A veteran who is unemployed, after all, is just as unemployed regardless of the national unemployment level.

Another modification in this program should recognize the growing body of evidence that serious economic readjustment problems among Vietnam combat veterans have persisted by contrast with equally educated and trained noncombat veterans and nonveterans. To address this situation, veterans having served in the Vietnam theater should be given special attention under the program. As such, they should be supplied

with support services by the VA and Department of Labor (DoL). These support services should include, at a minimum, job counseling, testing for aptitude and proficiency as well as family counseling where appropriate.

As currently written, EVJTA is intended to assist Vietnam and Korean era veterans. Yet, when industries fail older as well as younger veterans find themselves economically displaced. These older skilled workers should also be able to avail themselves of new training for new employment under this program.

To this it might be said that an expansion of the eligible population under the program would make it far too expensive during these times of fiscal austerity. The Legion disagrees with this rationale. Those having been involved with the development of this program may recall that the Congressional Budget Office (CBO) estimated the prospective cost of what eventually became EVJTA to be around $1 billion the first year. The Legion's disagreement with that estimate was vindicated when the program's first year cost was only $75 million despite the fact that $150 million had been appropriated. In the ensuing year of the program, the same experience obtained.

With this in mind, an adjustment in the program allowing older job-ready, but displaced, veterans to participate would add to the cost of the program. However, the addition of this group could hardly be seen to elevate the cost of this program beyond what was originally intended. If EVJTA has had any shortcoming, it is that the pool of those veterans the program was designed to assist has been unequal to the resources devoted to the program.

One final adjustment in this program should allow veterans unemployed five weeks, rather than the last 10 of 15 weeks, to be certified as eligible. Thusfar in this statement we have repeatedly asserted the conviction that this program was not designed for the hard core unemployed. As this program has shown throughout its life, the most qualified and job-ready veterans have been placed first. Assuming this "skimming off"

phenomenon has already taken place, reducing the duration of unemployment required under EVJTA can be expected to increase future placements of veterans with lesser, though adaptable, skills but who became unemployed through no fault of their own. Additionally, for purposes of future program application, a change in unemployment duration may act to save funds otherwise spent on unemployment compensation, food stamps, and others for protracted lengths of time before a veteran could apply for participation in EVJTA.

Before leaving the subject of EVJTA, it is worth noting that this program relies on the private sector to provide both the training and the jobs. Unlike public sector programs such as CETA, where there was no guaranty that a trained individual would become a productive taxpayer, EVJTA should be seen as a refreshing departure, one deserving of meaningful extension.

The second of the five programs available to veterans is the Job Training Partnership Act (JTPA). Part IV-C of this program is designed to assist Vietnam era, disabled and recently separated veterans in pursuit of employment. Historically, this is the first time veterans have had a separate and distinct training program within the context of an overall program for other groups of economically distressed individuals. Veterans in the past have constituted a target population within these overall programs, but have never had a separate program. In fiscal year 1985 the Office of Assistant Secretary of Labor for Veterans Employment and Training (OASVET) was allocated $9.8 million, an amount which was far too little. Yet, for fiscal year 1986, the Administration proposed only $7.7 million, a reduction of $2.1 million in badly needed funds. We are, of course, aware that Title IV is based on a legislative formula, but the fact is that precious little beyond veterans outreach and referral can be accomplished. By comparison, in fiscal year 1984, programs for Native Americans totalled $62.2 million and for Migrant Workers it was $60.3 million. In frustration at this type of inequity as well as at the scarcity of available funds

for veterans, many veterans program providers under Title IV-C have given up.

While we appreciate the mere existence of part IV-C, it alone will be insufficient to meet the needs of veterans in its current form. This program should be broadened and tailored for the purposes of fine tuning. One way this might be done is to continue making direct appeals from the veterans community to the Labor and Human Resources Committee in this chamber and the Education and Labor Committee in the House. However, we strongly recommend that this committee take a more active role in reviewing this program either by more closely monitoring activities important to veterans within the other committee's jurisdiction or by requesting sequential referral of legislation aimed at amending or adjusting JTPA programs in the future.

Another program available to veterans concerns employment within the federal government. This program is the Veterans Readjustment Appointment authority (VRA). Under VRA, federal agencies may place Vietnam era and disabled veterans in federal employment noncompetitively. The veterans eligible must have no more than 14 years of education - the equivalent of high school and two years of college - and may be placed in Government Service (GS) grades no higher than GS-9. The program is entirely voluntary on the part of participating agencies. Though the Office of Personnel Management (OPM) has taken steps in recent years to promote VRA among the various federal agencies, much more could be done to enable veterans and agencies to participate.

From a legislation standpoint, the House has passed a measure, H.R. 1408, which would make what we believe to be appropriate modifications in the program. By far the most important of these would relax the educational limitation for eligibility. Such a relaxation would provide college educated veterans an opportunity to enter federal service in the middle grades. Remembering that baccalaureate degrees among the Vietnam generation of veterans are more common than among other generations of veterans and that these same veterans by and large received their education later than

similarly aged nonveterans, this adjustment in VRA would both correct a competitive disadvantage and allow educated veterans to enter federal civil service at entry levels not previously requiring more than 14 years of education. This adjustment would also recognize that even though veterans under present VRA educational limitations may be placed in positions as high as GS-9, few participants in the program are actually placed above the GS-3 level.

For some, this type of adjustment is seen as ill advised, because it would permit employment assistance for people who are so well educated or trained that the assistance is unnecessary. The American Legion recongizes this point as salient. To accommodate the desire to prevent VRA from becoming overly generous, a simple relaxation of the educational limitation allowing veterans with no more than 16 years of education to participate is suggested. This would redress the competitive disadvantage of those veterans who served while their nonveteran peers were getting educated and starting careers without over liberalizing the entire program.

Another adjustment made by House passed H.R. 1408 is a liberalization of the level at which a VRA candidate could enter federal employment. In this modification veterans could enter federal civil service at the GS-11 level. This may or may not make sense, depending on one's view of the purpose of VRA, but it is a virtual certainty that without a relaxation of educational limitations veterans will not likely be placed at even the GS-9 level provided for under current law.

The Targeted Jobs Tax Credit program (TJTC) is another of the programs available to veterans. This one is designed to assist structurally unemployed veterans by providing a two year tax credit to employers of economically disadvantaged Vietnam era veterans. There are eight other targeted categories of disadvantaged individuals also assisted by TJTC, but in order to be eligible a veteran's resources must be no greater than 70 percent of the locally determined poverty level. If eligible, the veteran is certified and may enter employment by providing an employer with a tax credit incentive.

Ordinarily, the jobs secured under TJTC are in the service sector and are very low paying. The veterans using the program usually have little or no education or marketable skills and are usually among those that can be described as not job-ready. We suspect that many veterans economically impaired by PTSD, alcohol or drug abuse are increasingly using the program. In spite of the typically low pay available in these jobs, veteran participation has been steadily rising over the last few years. Between 1982 and 1983 participation increased from 13,272 to over 24,000. In 1984 participation again increased significantly to nearly 30,000.

Increased participation is probably due to several causes. The longer the program has been in place the more familiar it has become to employers. Administration of the program is relatively simple with little delay in certification for eligibility.

Regardless of the reasons for increased usage by veterans, that participation is increasing is reason enough to conclude that it is working and is still needed. Yet, this program also is scheduled to terminate at the end of the current calendar year. Legislation to extend this program for five additional years, H.R. 983 and S 1250, has been introduced and is pending before the Ways and Means Committee in the House and the Finance Committee in the Senate. Under the President's tax reform program TJTC would be allowed to expire.

The American Legion is supporting a full five year extension of this program and, as with JTPA, encourages this committee to become more involved with the fate of TJTC even though jurisdiction over legislation governing its fate lies with another committee. In that regard, we take the further view that an additional modification should be made in TJTC. Veterans with greater than 70 percent of the locally determined poverty rate should be allowed to participate. Were this adjustment made, it is likely that veteran participants could secure higher paying jobs under the program.

The final program for veterans employment is mandated by section 2012 of title

38, USC. Under this section, contractors who have a federal contract with the federal government for $10,000 or more must take affirmative action to employ and advance in employment qualified disabled veterans and veterans of the Vietnam era. Further, each contractor must list immediately with the local Job Service office all suitable openings, and Job Service offices are to give eligible veterans priority in referral to such openings. If a contractor has failed to comply or refuses to comply, the veteran may file a complaint with the Secretary of Labor who shall promptly investigate and take the necessary course of action.

The obligation to enforce section 2012 falls to the Office of Federal Contract Compliance Programs (OFCCP). As a general statement predicated upon experience, that office has failed to adequately protect and advance the rights and benefits afforded veterans under 2012 and, as a result, contractors simply ignore their responsibilities.

More specifically, Veterans Employment and Training Service field staff cite: poor job of investigation; little or no coordination between VETS and the Job Service; administrative delays; the OFCCP ignores the VETS requests for assistance; veterans are unaware of section 2012; OFCCP field memos emphasize operational supremacy of Executive Order 11246 (the Executive Order requiring affirmative action for other groups) and ignore section 2012; contractor reviews are not shared with VETS or the Job Service; the Job Service is unaware of federal contracts in their area; section 2012 is completely lacking in enforcement and neither the VETS nor Job Service want OFCCP enforcement responsibility, because enforcement responsibility might jeopardize good working relationships with potential employers of veterans. Also, state job service offices no longer receive Dun and Bradstreet quarterly listings of federal contract awards from the federal agencies granting contracts. Without doubt, responses to the problems with OFCCP and the apparent innocuousness of section 2012 are among the most heated of any in the spectrum of veterans economic issues.

In all honesty, there is no way of knowing what the current status is of section 2012 programs. We also have no way of knowing whether or not there has been improvement in the coordination of enforcement or what the OFCCP and the Office of Assistant Secretary for Veterans Employment and Training (OASVET) are doing, if anything, to ensure compliance. We do know that the OASVET and the OFCCP entered into a Memorandum of Understanding regarding section 2012 on November 21, 1983. Under the auspices of the Memorandum, OFCCP is to issue rules under section 41 of the Code of Federal Regulations, Part 60-250 governing section 2012 enforcement and the OASVET is to issue regulations covering these rules. The Memorandum also covers job listing requirements, responsibilities for obtaining the information regarding federal contracts, handling of contractor complaints, reports and general cooperation. We question whether any of these respective mutual obligations under the Memorandum have been met. If progress has been made in this regard, The American Legion is unaware of that progress.

However, we are aware of an OASVET initiated pilot program in Alabama that is currently in progress. Under this program, the Department of Labor has equipped the Alabama job service with sufficient computer capability to organize,by state,contractor data gleaned from the Commerce Business Daily. The Alabama job service then distributes this information to all other state job services. Upon receipt of their contractor information, state job service agencies advise contractors of their section 2012 obligations and a follow-up visit from a local veterans employment representative is to be scheduled. In the absence of having seen any results from this pilot program, we are constrained from offering comment on the success or failure of the initiative.

Another ongoing OASVET project dealing with section 2012 is the identification of federal contractors from quarterly reports of the Federal Procurement Data Center, arranged by state and zip code. That information is then distributed to the VETS,

OFCCP and state job service offices for followup. Results from this project were due to start coming in by August of 1983. Unfortunately, we have heard nothing more of this project since July of 1983.

Lack of adequate data notwithstanding, we strongly suspect that section 2012 is being denied the attention it deserves. The reason for this suspicion is two-fold. First the OFCCP may have inadequate staffing to carry out its enforcement obligations to veterans. This may be the case even if it were disposed to do so. The second reason is based on OFCCP's historical inclination to abide by Executive Order 11246 instead of section 2012 even though the statute should take ruling precedence over any Executive Order.

In that regard, just what the Congress did intend is a question in need of either clarification or reaffirmation. Was, for example, section 2012 designed to provide veterans preference in federal contract employment through affirmative action or was it instead intended merely to prevent employment discrimination against veterans by federal contractors? The same question might be asked regarding Executive Order 11246. Does the executive order provide employment preferences in federal contracts for other groups through affirmative action or does it merely seek to prevent employment discrimination against minorities?

Given the history of supposed affirmative action in federal contractor employment of veterans by comparison with actual affirmative action in federal contractor employment of others, we strongly suspect that section 2012 is understood by enforcement agencies as a mere protection against discrimination. On the other hand, Executive Order 11246 seems to be understood by enforcement agencies as an affirmative action based mandate to provide other groups with employment preference.

This distinction, which is believed by us to work to the disadvantage of veterans, is further evidenced on review of the applicable rules; reporting and planning

requirements which are contained in the Code of Federal Regulations and imposed on federal contractors in behalf of other groups,but not veterans. Under these rules, federal contractors are to report on populations of employees at all levels of the corporate hierarchy. If percentages of minorities employed are inconsistent with their proportional representation in the local surrounding population, further reporting is required outlining a plan of action to bring about proportional representation.

There are four points we hope to make on this subject. The first is that affirmative action for veterans seeking employment under section 2012 has never been meanfully enforced. The second point is that affirmative action for veterans under 2012 may not be possible to enforce in the presence of competing affirmative action claims from other groups with stronger statutory and regulatory tools. The third point is that veterans have been further disadvantaged in their search for employment with federal contractors because of competing demands from.and greater protections for, other groups. Finally, the ultimate solution to remedy the problem must equalize affirmative action for veterans with affirmative action for others.

Moreover, the overall package of employment and training programs available to veterans is diminishing. The emergency jobs program is scheduled to expire as is the Targeted Jobs Tax Credit program. Last year,another program expired. That was the Targeted Delimiting Date Extension program allowing unemployed, underemployed undereducated and underskilled veterans to use any unused entitlement to GI Bill education benefits even though ten or more years had elapsed since discharge from military service.

Of those programs remaining, the JTPA and VRA, if unchanged, cannot alone be expected to significantly assist veterans in any meaningful way. This is because assistance provided under title IV-C of the JTPA depends on the availability of too few resources to fund too few community based grantees intending to provide counseling

and outreach functions. Under VRA, jobs for veterans in the federal government are low paying and typically provide little if any upward mobility into the entry level professional or intermediate employment grades. On balance, if EVJTA and TJTC are allowed to expire, all that will remain for veterans are an underfunded JTPA program, a VRA program holding little promise for meaningful federal employment and a federal contractor program that has never been enforced.

At the outset it was stated that the job service and the OASVET provide the webbing that holds the entire package of veterans programs together. Apart from the operation of the OASVET, which we believe to be functioning satisfactorily, the fate of the job service and all of the local offices it operates in communities across the nation is very much in doubt. Budget cuts over the last several years have so emasculated the job service's personnel levels that it has become nearly impossible to fulfill its mission.

Naturally, The American Legion views this with considerable foreboding because job service offices house the operations of Local Veterans Employment Representative (LVER) as well as Disabled Veterans Outreach Program (DVOP) specialists. What affects overall job service functions necessarily affects LVER and DVOP productivity and work load.

From a statistical standpoint, the job service is failing to assist veterans. The most recent figures provided by the Department of Labor's (DoL) Employment Service Automated Reporting System (ESAR) are revealing. Between July 1, 1984 and December 31, 1984, 845,824 Vietnam era veterans registered with the employment service for assistance. Of the some seven million Vietnam era veterans, this constitutes approximately 13 percent. Of those that registered, only 7,168 received aptitude testing and only 12,436 received selection and performance testing to determine skills and proficiency.

Of those who registered with the job service, 9,971 were referred to a program of training and only 5,984 were actually enrolled in training. This latter figure

presents only seven hundredths of one percent of those who registered.

Other figures for the same period are also revealing. Given the 845,824 who egistered, 301,733 (or 36 percent) were referred to jobs, but only 131,846 (or 16 ercent) were actually placed in jobs. Of this latter number, only 96,572 were placed in jobs lasting 150 days or more. Perhaps more revealing, and certainly discouraging, is the fact that of all those who registered for assistance only 8.5 percent were placed in jobs paying $5.00 per hour or more and the average wage for this group was $5.38 per hour providing an annual gross income of approximately $10,400. Given the fact that the current poverty level for a family of four is about $10,600 per year, the job service is clearly failing to provide meaningful job opportunities for veterans. Beyond shortages of funding and personnel, the reasons for this performance are unclear. Perhaps the problem is partially due to job service access to only 10 percent of available private sector employers. Another part of the problem most certainly is the lack of support services for job seeking clients. Two of these services in too short supply are counseling and testing.

On concluding this statement, Mr. Chairman, we thank you for holding this hearing. The current and prospective future state of employment programs for veterans make this hearing timely. The American Legion pledges its support and assistance in working with this committee toward the resolution of the many economic problems facing veterans.

That concludes our statement.

VETERANS OF FOREIGN WARS OF THE UNITED STATES

STATEMENT OF

JAMES N. MAGILL, ASSISTANT DIRECTOR
NATIONAL LEGISLATIVE SERVICE
VETERANS OF FOREIGN WARS OF THE UNITED STATES

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS
UNITED STATES SENATE

WITH RESPECT TO

VETERANS EMPLOYMENT

WASHINGTON, D.C. SEPTEMBER 12, 1985

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to appear before this important and much needed Committee to present the views of the Veterans of Foreign Wars with respect to the current veteran employment situation.

As a grateful Nation, the United States has tried to make her returning servicepersons' readjustment to peace-time living as painless and successful as possible. Approximately 40 years ago the World War II GI bill was enacted to provide education, training and employment assistance to nearly seven million veterans. Today, while college education may be considered the major focal point of the readjustment process, meaningful employment and vocational training are becoming more and more crucial in fulfilling the modern day veteran's needs. According to the Veterans Administration, of the 85,000 veterans seeking assistance by the Vietnam Veteran Readjustment Counseling Program during the first eight months of fiscal year 1984, approximately 70 percent or 58,500

veterans were being seen for employment related difficulties. This statistic in and of itself should be enough justification to continue and expand on the existing programs addressing this issue.

One highly successful effort in confronting the veteran unemployment problem is the "Emergency Veterans Job Training Act" (EVJTA). This cost effective program, as of September 3, 1985, has placed 35,755 veterans in meaningful jobs. However, we believe with the continuation of the program its performance will be even better.

While enacting the EVJTA (PL 98-77) at our 84th National Convention in 1983, President Reagan stated, "The Nation has a special commitment to those who have served in the military. That commitment includes not only our continuing respect, but practical assistance as well. This Program will aid veterans; at the same time it aids the many small businesses that will participate." As we have pointed out before, in spite of this public acknowledgement of support for the Program, we question the sincerity of the Administration's commitment to its success. Not only was the original funding delayed, but part of this funding was diverted to other programs. EVJTA funding for fiscal year 1985 was neither requested by the Administration nor provided in the fiscal year 1985 HUD-Independent Agencies Appropriation. We have also received reports in the past detailing inadequate promotion of the program and in some cases the unavailability of proper forms.

Mr. Chairman, several recent studies have been conducted with respect to veteran unemployment. In general, they affirm our contention that the EVJTA should be extended and enjoy the full support of the Congress and the Administration. In its final report, Centaur Associates, Inc. is extremely complimentary in their evaluation of the initial implementation and conduct of EVJTA.

In general, the Program was found by Centaur to be well managed. The potential problems that could have resulted from a program with responsibility and authority transversing several organizations/agencies for the most part did not materialize. When compared to other job training programs, EVJTA has relatively little paper work and red tape. With respect to cost, Centaur reports approximately $3,000 is expended per individual. Considering the potential tax return to the government, this Program certainly can boast of what appears to be a very attractive cost/benefit ratio! Furthermore, employers were generally favorable in their assessment of the Program. Because of this, we believe more effort should be made in increasing employer participation so as to ensure all eligible applicants can be placed.

In another study conducted by DePaul University, employers were found to stereotype combat veterans as having psychological and physiological problems. This results in them receiving significantly lower recommendations to be hired than non-combat veterans.

A California study entitled "Veterans Employment and Training Survey" found that Vietnam veterans in that state are unemployed for an average of 50 weeks; are unemployed on an average 22 weeks longer than those with no service in Vietnam; and, are unemployed 31 weeks longer than the national average. It was also discovered that California Vietnam veterans have a median household income 37 percent lower than those Vietnam era veterans surveyed in the study who did not serve in Vietnam and 80 percent lower than the national Vietnam era population. It should also be noted that 75 percent of those California veterans surveyed want training, but have no means of support while in training.

Another study conducted in New York City almost mirrored the California study. Vietnam veterans in New York City were more densely concentrated in low paying jobs; appeared to experience more difficulty in holding on to prestitious, high paying jobs than did Vietnam era veterans; and, felt they needed more education and/or training to improve their job prospects.

Finally, the "Columbia University-Legion Vietnam Veteran Study" found that men born in the years 1944 through 1947 and who experienced intensive combat exposure appear to be earning $3,000-$4,000 less than men of their same age group without combat experience. The study also found these men are experiencing a divorce rate significantly higher than other men who served in Southeast Asia under less severe conditions and whose health and general self-esteem were worse than those who did not experience heavy combat.

Mr. Chairman, the aforementioned studies when placed in context with the Centaur Associates' study, clearly indicate, in our opinion, there is a continuing need for employment programs that target the unemployed and underemployed veteran population. In fact, these programs strongly suggest that there may be a need for an additional program directed at the so-called hard-core unemployed veteran which includes support services being supplied to those veterans who served in a combat theater. Such support services should, of course, provide for the full spectrum of the veterans' needs. S. 875, providing for a Vietnam Veteran Resource Center in which we support the concept, could serve as the vehicle for providing such support services in a one-stop shopping environment on a case management basis.

Another tool providing employment assistance to veterans is the Targeted Jobs Tax Credit Program, scheduled to expire in December, 1985. In fiscal year 1984, this Program placed 29,000 veterans in jobs; however, it also placed 27,278 ex-convicts. While we certainly do not oppose any program that assists individuals in finding employment who have payed their debt to society, we believe that more emphasis should be placed in assisting those veterans who have honorably served their country. With respect to the Job Training Partnership Act, we believe Titles II and III should contain a provision for veterans' preference. We also believe Title IV C is inadequately funded and should be appropriately adjusted to allow it to fulfill its mandated task. Finally, we would recommend both the Senate and House Veterans Affairs Committees assume a greater oversight role in the supervision of these Programs as they pertain to veterans.

Mr. Chairman, this concludes my statement. Appended to my testimony are copies of our current resolutions pertinent to this hearing. I will be happy to respond to any questions you may have.

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Resolution No. 612

JOB TRAINING PARTNERSHIP ACT (JTPA)

WHEREAS, Public Law 97-300 was enacted to establish programs to prepare youth and unskilled adults for entry into the labor force and to afford job training to economically disadvantaged individuals and others facing serious employment barriers; and

WHEREAS, Titles II A and III of JTPA do not provide for veterans' preference in the provision of authorized services and there is no vehicle for accountability of services provided to veterans; and

WHEREAS, an amount equal to not more than five percent of the total amount appropriated pursuant to Section 3 (a)(2) shall be available for veterans' employment program, (Title IV C JTPA); and

WHEREAS, the programs supported by this law are essential to meeting the employment and training needs of veterans; now, therefore

BE IT RESOLVED, by the 86th National Convention of the Veterans of Foreign of Wars of the United States, that we petition the Congress of the United States to enact legislation to provide for preferential provision of services to veterans in programs authorized by Title II A and Title III JTPA and that a reporting system to determine veterans' participation in these programs be developed; and

BE IT FURTHER RESOLVED, that we support legislation to increase the total amount appropriated to veterans' employment programs Title IV C JTPA to be not less than 20 percent of the total amount appropriated pursuant to Section 3 (a)(2) Public Law 97-300; and

BE IT FURTHER RESOLVED, that we hereby strenuously oppose any and all attempts to weaken or eliminate funding for veterans' employment programs authorized in accordance with the Job Training Partnership Act, and we request the Congress of the United States to enact legislation to change Section 102 (a)(2) to include the appointment of an active member of a chartered veterans organization to the private industrial council.

Adopted by the 86th National Convention of the Veterans of Foreign Wars of the United States held in Dallas, Texas, August 16-23, 1985.

Resolution No. 612

Resolution No. 613

EMERGENCY VETERANS' JOB TRAINING ACT (EVJTA)

WHEREAS, the Emergency Veterans' Job Training Act (Public Law 98-77) was enacted to address the problem of severe and continuing unemployment among Korean and Vietnam era veterans; and

WHEREAS, Section 18, Public Law 98-77 (Vocational Education Program) expansion of targeted delimiting date extension expires December 31, 1985, and monies appropriated to fund Public Law 98-77 will not be available for September 30, 1987; and

WHEREAS, veterans of Vietnam and Korean eras continue to endure abnormally high unemployment and experience difficulties in obtaining meaningful employment; now, therefore

BE IT RESOLVED, by the 86th National Convention of the Veterans of Foreign Wars of the United States, that we request the Congress of the United States to:

1. extend the Emergency Veterans' Job Training Act initial applications and training commencement deadlines until August 31, 1987, and September 1, 1987, respectively;

2. change veterans eligibility reducing the period of unemployment from 15 of the preceding 20 weeks to 5 of the preceding weeks;

3. that adequate funding be authorized and appropriated to the Veterans Administration and that these funds remain available through September 30, 1989;

4. that out of the total appropriation, administrative funds be allocated for the purpose of conducting outreach to promote awareness of the veteran and employer communities; and

5. Section 18, Public Law 98-77 be extended and funding to support vocational education programs be provided through September 1, 1988.

Adopted by the 86th National Convention of the Veterans of Foreign Wars of the United States held in Dallas, Texas, August 16-23, 1985.

Resolution No. 613

Resolution No. 615

TARGETED JOBS TAX CREDIT (TJTC) PROGRAM

WHEREAS, the federal government instituted a Targeted Jobs Tax Credit Program to facilitate the employment of veterans, economically disadvantaged persons and other targeted groups that will expire December 31, 1985; and

WHEREAS, the mandated criteria currently utilized to determine eligibility for veteran participants thwarts veterans' utilization of TJTC; and

WHEREAS, the amount of wages for which employers are allowed tax credit is restricted to the first $6,000 of wages per year taken into account; now, therefore

BE IT RESOLVED, by the 86th National Convention of the Veterans of Foreign Wars of the United States, that we request the Congress to:

1. extend the TJTC Program to December 31, 1990

2. increase the amount of wages for which tax credit is allowed from $6,000 to $10,000 for a period of one year

3. that veterans eligibility for participation in the TJTC Program be modified to coincide with Section 302 (a; (1), (2), (3) Public Law 97-300

4. that a "veteran" be defined in accordance with paragraph 2011 (4) Title 38 USC.

Adopted by the 86th National Convention of the Veterans of Foreign Wars of the United States held in Dallas, Texas, August 16-23, 1985.

Resolution No. 615

Resolution No. 672

SPECIAL EMPLOYMENT PROGRAM FOR OLDER VETERANS

WHEREAS, the Congress of the United States has traditionally provided special services to those young men and women who served in the Armed Forces of the United States during national emergencies; and

WHEREAS, some 11 million World War II veterans served with honor and distinction during their military service and have contributed to the economy of the nation as hard working taxpayers; and

WHEREAS, the majority of the 11 million World War II veterans will reach the age of 65 in 1986-87; and

WHEREAS, most of the World War II veterans will be placed on Social Security retirement due to no fault of their own; and

WHEREAS, many of the World War II veterans will be forced to continue to work even part-time to supplement their families' needs; and

WHEREAS, presently there are not special programs to provide special assistance to older veterans similar to programs provided to other special categories of individuals; now, therefore

BE IT RESOLVED, by the 86th National Convention of the Veterans of Foreign Wars of the United States, that we hereby go on record petitioning the Congress of the United States to enact legislation to authorize and direct the Assistant Secretary of Labor for Veterans Employment and Training to implement a special program to meet the employment needs of older veterans; and

BE IT FURTHER RESOLVED, that special funds be made available to the Assistant Secretary of Labor for Veterans Employment and Training to assist needy older veterans.

Adopted by the 86th National Convention of the Veterans of Foreign Wars of the United States held in Dallas, Texas, August 16-23, 1985.

Resolution No. 672

STATEMENT OF
RONALD W. DRACH
NATIONAL EMPLOYMENT DIRECTOR
DISABLED AMERICAN VETERANS
BEFORE THE
SENATE VETERANS AFFAIRS COMMITTEE
September 12, 1985

MR. CHAIRMAN AND MEMBERS OF THE SUBCOMMITTEE:

On behalf of the one million members of the Disabled American Veterans, it is indeed an honor and privilege to appear here today to discuss employment issues for veterans -- especially those aimed at improving the plight of Vietnam era and disabled veterans.

At the outset, Mr. Chairman, I would like to thank you for conducting these hearings to solicit our views and of those of others in order to hear firsthand how veterans are doing in the employment arena.

Mr. Chairman, in your letter of invitation to appear today, you indicated that you wanted to review "Vietnam veterans employment issues." Perhaps the most critical issue before us at the present time is the recent expiration of the Emergency Veterans Job Training Act (EVJTA).

Mr. Chairman, the DAV believes it can be stated unequivocally that EVJTA, like so many new programs, was extremely slow getting started. However, the program did "progress" and now when it appears to be finally addressing the concerns which justified its enactment -- EVJTA's time has expired.

Despite optimistic projections by the Administration, disabled and Vietnam era veterans still face, in our view, unacceptable unemployment levels.

The DAV takes exception to the Administration's assertion contained in its Fiscal Year 1986 VA budget request which states that "...the economic conditions which the Emergency Veterans' Job Training Act of 1983 proposed to relieve will have been alleviated."

"Alleviated,"? Mr. Chairman, we think not.

While there have been more than 121,986 job slots approved under the program, there have only been 35,112 actual placements as of August 19, 1985. This means that just a little more than one of every four approved job slots has been filled. By contrast, Mr. Chairman, 335,974 certifications have been issued and approximately 300,000 certified eligibles have not been placed as of August 9, 1985. I doubt that these scores of thousands of veterans believe that economic conditions have been "alleviated."

Other data that support the need for an extension are available for analysis as published by the Department of Labor's Bureau of Labor Statistics. While it certainly can be acknowledged that unemployment among Vietnam era veterans has decreased over the past several years, at the end of July 1985 there were still officially 323,000 unemployed Vietnam era veterans. We do not know how many of those are included in the aforementioned EVJTA certified eligibles.

Another interesting statistic is the net increase in total civilian employment during the period July 1984 to July 1985 -- 1,376,000 in all. According to the Bureau of Labor Statistics, there were 59,000 less veterans unemployed in July 1985 than there were in July 1984. This means that of the almost 1.5 million new jobs, veterans obtained a mere 4.3% of them. This can hardly be characterized as an "alleviation" of the economic problems that prompted the original passage of EVJTA.

Mr. Chairman, another interesting bit of data reported by the Department of Labor's Bureau of Labor Statistics indicates that in July 1985 there were 6,831,000 employed Vietnam era veterans age 30 and over. By contrast, the Veterans Administration reports that there are 8,275,000 living Vietnam era veterans. We must ask, Mr. Chairman, what happened to the 1,444,000 Vietnam era veterans who do not show up in the Department of Labor statistics and are not counted as unemployed. Certainly we concede that some of these veterans are

institutionalized, or otherwise not available for work, but certainly this does not apply to all of the "unaccounted for" 1.5 million. Where they most likely are, Mr. Chairman, is in the category of the discouraged worker who, for whatever reason, has stopped looking for work. No matter how you count them (or don't count them in this case), they are Vietnam era veterans without employment who very conceivably could benefit from EVJTA.

Mr. Chairman, there are studies and other data that support the need for extending EVJTA. A study of the employment needs of Vietnam veterans in New York City was recently prepared for that city's Vietnam Veterans Memorial Commission. While the study was restricted to Vietnam theater and Vietnam era veterans in a relatively small area of New York, i.e., Brooklyn, some disturbing conclusions were found that might well exist in other parts of the country.

The following is excerpted from the summary portion of the report:

* Ten percent of New York City Vietnam veterans were unemployed.

* Veterans who were exposed to higher levels of combat were jobless at higher rates than those with less combat exposure. Eighteen percent of high combat veterans were unemployed, compared to six percent of low combat veterans.

* An additional five percent of Vietnam veterans were not working nor were they looking for work.... More minority veterans and heavy combat veterans had dropped out of the labor force than had their counterparts. (emphasis added)

* Vietnam veterans were more densely concentrated in low paying jobs.

* Vietnam veterans appeared to experience more difficulty in hold (sic) onto prestigious, high paying jobs than did Vietnam era veterans.

* Eleven percent of Vietnam veterans reported they had not finished high school...[they] held an average of five jobs since leaving the military.

* [Disabled veterans] were more likely to experienced (sic) extended periods of unemployment than were the non-disabled.

Mr. Chairman, there were other significant findings in the New York study and if anyone continues to believe that we no longer need the Emergency Veterans' Job Training Act, perhaps they should read the study in its entirety.

Permit me to direct your attention, Mr. Chairman, to another survey done for the California Employment Development Department by the Center for Community Economics -- a survey of California's unemployed and underemployed Vietnam era veterans (VEV), those disabled as well as those recently separated from military service.

Some of their significant findings are as follows:

* Vietnam veterans are unemployed for an average of 50 weeks.

* Vietnam veterans are unemployed, on the average, 22 weeks longer than those with no service in Vietnam and 30 weeks longer than the national average for all unemployed persons.

* Vietnam veterans have a median housebound income of $5,625; 37% lower than those VEVs surveyed who did not serve in Vietnam and 80% lower than the national VEV population. (These data were extracted from the Veterans Administration's publication "Data on Vietnam Era Veterans," September 1983.)

* There are three times as many service-connected disabled among the unemployed and underemployed than among the national VEV population.

* Seventy-five percent of the veterans surveyed want training but have no means of support while in training.

* The median household income for disabled veterans was $6,750 and for those with service in the Vietnam theater, $5,625. This represents all taxable family income. It was also found that, on average, disabled veterans were unemployed for 52 weeks and Vietnam veterans 50 weeks. On the average, 28% of the veterans surveyed had received unemployment insurance benefits over the past year while 72% had received none.

* Sixteen percent of the disabled veterans have used VA Vocational Rehabilitation.

* Seventy-three percent want the opportunity to upgrade their primary occupational skills.

Mr. Chairman, it is not only the veterans' organizations who are supportive of extending EVJTA. I am aware that your office has been contacted by several employers, including major Fortune 500 companies, who have provided written testimony to the success of the program in their companies. Furthermore, it is my understanding that they have indicated their willingness to further participate in the program, should it be extended. We are of the opinion that without an extension, many potential

employment and training opportunities for disabled and Vietnam era veterans will not be realized because many of these employers cannot, or will not, be able to continue hiring these veterans without the incentive offered by EVJTA. We urge you and the other members of this Committee to study those employer statements very closely.

Mr. Chairman, I would also like to bring to your attention an article which appeared in the Daily Times, Anchorage, Alaska on October 20, 1984. I have attached a copy of this article for the record.

Significant excerpts of that article are as follows:

* Military veterans and Anchorage businessmen are applauding a federal program that helps pay job training salaries while preparing veterans for full-time employment.

* "This particular program is one hell of a nice deal for veterans and business people," said Lew Woods, owner of Lady J Music, a Northway Mall music store. He has hired two veterans under the program as sales and management trainees.

* "We're a new business that moved up here this year from the state of Washington," Woods said. "We couldn't afford to hire and train qualified people without the VA program. This program gives the little man in business an opportunity to expand. Wages here are ridiculous for hiring and training someone."

* "I needed a man, but couldn't pay full wages. The VA has been super. I have a super new employee, and he has worked out great."

Mr. Chairman, and members of the Committee, I commend the entire article to you for your review.

Mr. Chairman, you have also expressed your concern over the ongoing readjustment problems faced by all too many Vietnam era veterans. On February 20, 1985, in your opening statement at the hearing on the Veterans Administration Fiscal Year 1986 budget request, you mentioned your desire to address those readjustment problems by establishing:

> ...a pilot program to target special needs of Vietnam veterans who continue to have readjustment problems.... The needs of Vietnam veterans reflect the living, changing world they are striving to cope with. In order to keep up with those changes, these needs necessarily change with time and circumstances. We must recognize that psychological readjustment, education, drug and alcohol counseling, and employment training are not exclusive of one another -- but are all part of reestablishing certain veterans as confident and productive members of our society. This proposal would establish in one location a number of services that those veterans may need to reach that goal. These services would include a continuation of the readjustment counseling program. In addition, employment training and job placement, alcohol and drug counseling and education and rehabilitation services would be added by providing trained specialists in each center....I also believe strongly that an investment in our Vietnam veterans to return them to a feeling of self-esteem and self-sufficiency is an investment that will be paid back many times. (Emphasis added.)

Mr. Chairman, as you are aware, the House has passed and sent to the Senate H.R. 1408, which, among other things, would provide an extension of the eligibility period in which a veteran must apply for assistance under the Emergency Veterans Job Training Act (EVJTA), as well as the period in which the veteran must be enrolled in the program. These periods would be extended to December 31, 1985 and July 1, 1986, respectively.

Regrettably, this Committee apparently has opted not to consider H.R. 1408 but, rather, has amended H.R. 505 (the Veterans Administration Health Care Programs Improvements Act of 1985) to extend until March 1, 1986, the date in which a veteran must enter a training program under EVJTA.

This action falls far short of what we believe is necessary, as indicated by the attached copy of Resolution No. 065, recently unanimously adopted at our National Convention, which supports an extension of EVJTA.

We would be less than honest by indicating that EVJTA has been without problems, however, we believe that these problems are, for the most part, isolated to the administration of the program itself. We believe that these difficulties can and should be dealt with through Congressional oversight and a closer working relationship between the Veterans Administration and the Department of Labor.

We would like to point out, Mr. Chairman, that when the idea of providing a special employment and training program for certain unemployed Vietnam Era veterans was first considered several years ago, Senator Cranston introduced a bill that (1) would have authorized a <u>two and one half year</u> program of employment assistance and (2) would have established such a program as an <u>entitlement</u>. In assessing the potential need for such legislation it was estimated that between 700,000 and 800,000 veterans could potentially be eligible for such a program.

For a program such as EVJTA, we believe the need to be almost as great today as it was in 1983.

On May 11, 1983, Senator Alan Simpson, then Chairman of the Senate Veterans Affairs Committee, introduced S. 1033, a bill which would have amended Title 38, U.S. Code and established a new Chapter 44 "Veterans Emergency Job Training Program." From these bills evolved the Emergency Veterans Job Training Act as we know it today.

We believe that if the Congress is sincere in addressing the ongoing employment problems of our nation's disabled and Vietnam Era veterans, it is imperative that they act positively to extend EVJTA beyond its current delimiting dates for both eligible veterans and participating employers.

Mr. Chairman, in your letter of invitation to testify you indicated that you wished to hear our views on "Vietnam veterans' employment issues." Regrettably, time does not permit us to address all of these concerns and issues so, with your consent, Mr. Chairman, I would like to submit for the record copies of our Congressional Statements over the past 18 months which do address these concerns.

That concludes my statement, Mr. Chairman. I again wish to thank you for the opportunity to appear here today and I would be happy to answer any questions you may have.

RESOLUTION NO. 065
LEGISLATIVE

EXTEND THE EMERGENCY VETERANS' JOB TRAINING ACT (EVJTA)

WHEREAS, the Emergency Veterans' Job Training Act (EVJTA), Public Law 98-77, was created to assist unemployed Korean Conflict and Vietnam Era veterans in obtaining stable full-time employment; and

WHEREAS, this program of employment assistance and training was designed to last for only two years; and

WHEREAS, initial participation has been slow and many employers and veterans are just now becoming aware of the program; NOW

THEREFORE, BE IT RESOLVED that the Disabled American Veterans in National Convention assembled in New Orleans, Louisiana, July 21-25, 1985 support legislation to extend and fund the Emergency Veterans' Job Training Act to allow full participation by all eligible unemployed veterans.

* * *

Daily Times, Anchorage, AK 10/20/84

Job program eases path for veterans, business

by Kenneth R. Allen
Times Writer

Military veterans and Anchorage businessmen are applauding a federal program that helps pay job-training salaries while preparing veterans for full-time employment.

A bill that extends the program through February was passed during the recent closing days of the 98th Congress and has been sent to the White House for President Ronald Reagan's signature.

As of this week, 84 Alaska veterans have been assisted by the benefits, originally created by Congress in the Emergency Veterans Job Training Program of 1983. The benefits are designed specifically for veterans of the Vietnam and Korea conflicts.

The recently passed legislation extends the original 1983 measure, which pays half of a veteran's salary — up to $10,000 — during job training. Veterans will have until Feb. 28, 1985, to participate in the extended program if the bill is signed by the president.

"This particular program is one hell of a nice deal for veterans and business people," said Lew Woods, owner of Lady J Music, a Northway Mall music store. He has hired two veterans under the program as sales and management trainees.

"We're a new business that moved up here this year from the state of Washington," Woods said. "We couldn't afford to hire and train qualified people without the VA program. This program gives the little man in business an opportunity to expand. Wages here are ridiculous for hiring and training someone."

Richard Roberts, manager of Hobart Sales & Service, is enthusiastic about the program and the veteran he has hired under it.

"We learned about it from our business neighbor, who has hired a veteran under the program," said Roberts, whose business services the restaurant industry.

"I needed a man, but couldn't pay full wages. The VA has been super. I have a super new employee, and he has worked out great. He's dependable. He does all the ordering now. He's just an extremely good guy. I wish I had three more like him."

Joining the program was relatively painless, Roberts said. "Red tape wasn't a problem. It took just a few minutes of time to fill out some paperwork, and the government checks to pay half my man's salary come on time," he said.

Richard Morrison, 52, is a 20-year veteran who has served in Korea and Vietnam and is now in the program. He retired from the Army in 1972 and has been in Alaska since 1976. He suffered a back injury while working with heavy machinery in the oil industry and was laid up for several months. He now works for Aviation Software Consultants Inc., an Anchorage computer-programming company.

"I had no problem with VA in getting this job," Morrison said. "If I had to sit down and do nothing, I would have been chomping at the bit. This has really helped me."

Morrison is taking courses at Alaska Pacific University and Anchorage Community College in computer orientation and programming. His goal is to become an expert in data-base management.

Ralph Felicetty, a local Veterans Administration official, said that, as of this week, 1,198 Alaska veterans have applied for the job-training assistance program. He said 1,017 have been approved.

Felicetty added that 176 Alaska employers have applied for participation in the program, and that 151 have been approved. "A total of 246 jobs have been made available, and 84 veterans have been placed in employment," he said.

Most of the jobs are in the Anchorage area, Felicetty said.

The Municipality of Anchorage hired a Vietnam-era veteran at the end of September, the first to be hired by the municipality in the job-training program. Felicetty said the municipality has been approved for 11 more employees to be hired under federal assistance.

Business, industry and government can participate in the program.

Veterans who served on active duty between June 1950 and January 1955 are eligible as Korean-era service personnel. Active-duty military service between August 1964 and May 1975 is considered Vietnam-era qualification.

In addition to extending the job-training program, the measure passed by the 98th Congress could help veterans in other ways.

The legislative package, titled the Veterans Benefits Improvements Act of 1984, also provides a 3.2 percent cost-of-living increase in the rates of compensation paid to more than two million service-connected disabled veterans. Further, the measure grants a 3.2 percent increase in dependency and indemnity compensation rates for surviving spouses and children of veterans who die of service-connected causes.

The number of veterans living in Alaska has been reported at more than 35,000; however, the specific number is unclear by reports of from 40,000 to 65,000. State Department of Labor officials said there are 12,000 Vietnam-era veterans in Alaska. There were no immediate figures available from the Veterans Administration or the state labor department on how many Korean-era veterans live in the state.

Only unemployed veterans may apply for the job-training program.

PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

STATEMENT OF

BOB MORAN, ASSOCIATE LEGISLATIVE DIRECTOR

PARALYZED VETERANS OF AMERICA

BEFORE THE

SENATE COMMITTEE ON VETERANS' AFFAIRS

CONCERNING

VIETNAM VETERAN EMPLOYMENT ISSUES

SEPTEMBER 12, 1985

Mr. Chairman and Members of the Committee, on behalf of all the members of Paralyzed Veterans of America, I want to thank you for this opportunity to present our views and concerns regarding the various employment programs currently being administered by the Veterans Administration, specifically those established to address the needs of the Vietnam-era veteran. I am Bob Moran, PVA Associate Legislative Director.

At the outset, PVA would personally like to commend you, Senator Murkowski, as Chairman of the Committee, for holding this hearing. Additionally, we wish to further compliment you and each individual Member of the Committee for your ongoing efforts to examine, evaluate, and improve those programs that are of importance to our nation's Vietnam-era veterans.

The importance of a viable veteran employment program, if placed in proper perspective as being a critical part of the overall well-being of one's life, can, and should be viewed as the pinnacle of the veteran's health continuum. If a veteran does not have a vocation, a job, or is unemployed, these events can and do give rise to various health maladies that accompany the usually lowered self-esteem that goes hand-in-hand with one's unemployed condition.

We cannot deny the fact that in our society, even as welfare-oriented as some may have us believe we have become, we still place a very high value on the work ethic - that each man should, to the best of his own personal ability, perform certain duties and/or activities that leads to the betterment of himself, his family, and society, in general. Each one of us, from the time we are born, have a work-related responsibility to ourselves, to our loved ones, and to the country in which we were born. A veteran, more than most Americans, knows full well this fact of life.

Today, we are going to examine the results and the shortcomings of the employment related programs that the Veterans Administration is currently offering unemployed veterans. In a time of fiscal constraint, such as that in which we now find ourselves, it is appropriate that we examine these publicly supported programs for their individual merit. In similar logic, it is also important that we remember the promises, that we, as a concerned and grateful nation, made to veterans, who served the country in times of need, and who may have emerged from that service with physical disabilities or other forms of employment handicaps. Therefore, it is only fitting today, as we evaluate each veteran employment program, that we remember the circumstance and the rationale that brought each program into being.

The September 7, 1985, edition of the Washington Post, the headline read -- Jobless Rate Falls to 7%, Lowest in More Than 5 Years. The Department of Labor statistics indicated that the number of persons unemployed dropped by 324,000 to 8,127,000 -- the smallest number without work since August 1981. This is good news, especially since the national unemployment rate had been locked in at 7.3 percent for most of this year.

Of importance too, especially to this Committee, are the July 1985, veteran employment figures complied by the VA Office of Information Management and Statistics. In information released August 8, the VA's figures showed the unadjusted veteran unemployment rate, 4.4 percent for all war veterans and 4.6 percent rate for Vietnam-era veterans, as being considerably lower than the 7.4 percent rate for the total civilian population. A further comparison of the unemployment rates for the same three groups, with their respective rates of one year earlier, showed a sizeable decrease (1.1 percent) in the rate for Vietnam-era veterans, a small decrease (0.3 percent) for all war veterans, while the civilian unemployment rate had only decreased by a meager 0.1 percentage point from July of 1984.

These figures are certainly indicative of a much needed positive trend for those in the veteran and civilian unemployment population. It could lead one to the doubtless conclusion that all is well in the employment programs, conducted by the Veterans Administration. Even though certain VA employment programs, like the Emergency Veterans' Job Training Act, have met with some success, many of the others are still plagued by inefficiencies and conflicting priorities.

In a working draft entitled Employment and Disabled Veterans, "A Blueprint for Action," prepared by The Committee on Disabled Veterans (CODV) of the President's Committee on Employment of the Handicapped, CODV reveals some insightful shortcomings in veteran employment programs. Most notably, the two year study pointed out the lack of coordination and communication between the government agencies providing services to veterans. Veterans, Disabled Veteran Outreach Program (DVOP) counsellors, VA benefit counsellors, federal and state employment services representatives, veteran service organizations and even some employers decried the absence of interagency coordination. One program participant noted that the lack of communication was "...the largest failure of the system ... the biggest single obstacle to success."

Other concerns expressed in the CODV report reflected a lack of adequate staff, inadequate staff training, an inability to custom tailor employment programs, and an invariable host of ever increasing paperwork required for participation, certification, progress and/or completion of training by a program participant.

A final concern was that of program dilution. The problem pertains to those programs whose original purpose was to secure employment opportunities for severely disabled veterans. The point being made, was that some veteran employment programs, whether intentional or not, have given up on their original intent or mandate and have allowed themselves to become "watered-down" -- opting, instead, to serve less disabled persons rather than face the challenges of meeting the real needs of the group they were to assist.

PVA would encourage this Committee and the VA to review this insightful report that the Committee on Disabled Veterans has prepared. We commend those involved in this undertaking and think that their findings can go a long way toward improving some of the employment programs about which this Committee has an expressed concern. We turn our attention now to the most recent VA employment program.

The Emergency Veterans' Job Training Act, EVJTA, came into being as a result of Public Law 98-77, which was enacted August 15, 1983, in response to the very high veteran unemployment figures that existed at that time. It should be remembered that this employment program got off to a rather slow start.

The EVJTA program was to have been funded at a level twice that which was actually appropriated. Initial funding was not made until November, 1983, and then only after two separate funding bills earmarked the requested $150 million for the program's first year of operation. It must be remembered, too, that $20 million of that appropriation was shifted to the readjustment benefits account for educational assistance, leaving only $130 million for the EVJTA employment program. The additional $150 million originally authorized in Public Law 98-77 was never appropriated, nor requested, by the Administration or by the Congress. New veteran application into EVJTA ceased as of February 28, 1985, even though program placements can continue to be made through the end of this month.

From the information we have been able to compile, despite its slow start, the EVJTA program has been able to certify over 300,000 veterans as eligible -- those being unemployed for 15 of 20 weeks prior to making application.

Over the course of the program, over 43,000 employers have had training programs certified as acceptable, which constitutes a potential market of over 100,000 new jobs for veterans.

The Veterans Administration and the Department of Labor have shared joint responsibility for the implementation of this program, and both agencies agree that EVJTA has been a very successful endeavor. To date, about 28,000 veterans have been successfully matched to prospective employers. This is not to say the program is unsuccessful, far from it. PVA believes that EVJTA is just beginning to fulfill its promise of successfully placing veterans into government-supported, employer-conducted, work training programs. Hopefully, these work training programs will lead these veterans on into full-time employment positions.

In a hearing conducted earlier this year by the Subcommittee on Education and Employment of the House Committee on Veterans Affairs, a bill, H.R. 1408, was discussed. The bill would extend the EVJTA program past its targeted September 31, 1985, expiration date. The VA indicated, at that time, that more than 100,000 hard core unemployed veterans, who had been approved for the EVJTA program, still had not been placed.

H.R. 1408 would not only extend the EVJTA program into 1986, but it would also reduce the veteran eligibility requirement from 15 out of the last 20, to 5 out of the last 20 weeks of unemployment. PVA submitted testimony for the record, endorsing the extension of the EVJTA, but opposing the relaxation of the eligibility standards. Our reason for opposing a relaxation of the eligibility standard is because of the dilution factor, as mentioned earlier,

meaning the VA would not concentrate their efforts on placing those already certified, hard-core unemployed veterans, but, rather, they would expend the remaining EVJTA funds, identifying new veterans and placing this group.

Mr. Chairman, PVA must comment on one other program that we believe is beginning to demonstrate a positive approach to the training of veterans with long-term unemployment records due, primarily to severe disabilities.

Specifically, Mr.Chairman, PVA would like to comment on and commend the VA for implementing Section 524 of Title 38, as authorized by Public Law 98-543. This pilot program of vocational training for certain new pension recipients, was enacted October 24, 1984, became effective February 1, 1985, and was implemented immediately by the VA.

Public Law 98-543 authorized a four-year pilot program of vocational rehabilitation for newly eligible nonservice-connected disabled (NSC) pension recipients. This program, designed primarily for those veterans age 50 years or younger, is a major first step toward providing newly disabled pension recipients the opportunity to receive vocational training and enabling them to return to productive activity, rather than rely on the VA pension program.

Modeled after the Social Security Administration's "trial work period," this innovative VA pilot program should prove to be both a reasonable and humane, yet cost-effective way to address the needs of disabled veterans in maximizing their independence.

PVA is in constant contact with its field service officers, and we are very excited about the success of this new program, and for the opportunity it provides a disabled individual to rebuild his life and become a productive citizen within society. In the seven months since implementation, this new and innovative concept for vocational rehabilitation of VA pension recipients, already has disabled veterans in training. VA adjudication personnel are referring veterans being awarded new pension benefits, who fall under the program guidelines, to vocational counsellors for determination of eligibility for vocational rehabilitation benefits.

In conclusion, Mr. Chairman, we trust that this Committee will continue to monitor all veteran employment programs. PVA would encourage this Committee and the VA to seek ways of eliminating the employment program shortcomings as outlined in the previously mentioned CODV report. And finally we would hope, even though current veteran employment figures are encouraging, that the VA will not forget about those long-term unemployed veterans and the special needs of disabled veterans seeking employment.

Mr. Chairman, that concludes my statement, and I will be happy to answer any questions that I can.

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STATEMENT OF

DENNIS K. RHOADES

EXECUTIVE DIRECTOR

VIETNAM VETERANS OF AMERICA

before the

COMMITTEE ON VETERANS' AFFAIRS

UNITED STATES SENATE

September 12, 1985

Mr. Chairman, Vietnam Veterans of America is pleased to have the opportunity to appear before the Committee today to share our views on the Federal government's efforts to find jobs for our Nation's veterans. Given the average age of the Vietnam veteran, VVA, of necessity, is vitally concerned with those economic issues affecting the welfare of Vietnam veterans and their families. In this regard, there is no issue more central than jobs. Curiously enough, it is an element of readjustment that has been given very short shrift in veterans affairs. This may explain, at least in part, why unemployment and underemployment are problems among Vietnam veterans that will not go away.

There are many issues needing examination in a hearing as comprehensive as this, but none more urgent than the future of the Emergency Veterans Job Training Act (EVJTA). This program, scarcely two years old, is about to expire from inaction. Once it is gone, gone also will be the only effective tool that the Federal government currently has to place structurally unemployed veterans into career oriented employment. For this reason, I am going to restrict my testimony to those points VVA believes that the Senate ought to consider in taking legislative action to extend the program.

NEED

We are now in a period of relatively low unemployment, a

period in which the job difficulties of Vietnam veterans have once again been "solved." It is a tempting conclusion, if only because unemployment among veterans of this era has been with us as an issue for over a decade and a half. On at least four separate occasions in the last fifteen years, however, responsible observers both in Congress and the Executive branch have declared that the problem was over, that Vietnam veterans had readjusted to the world of work.

In the years, 1970-72, for example, unemployment among Vietnam veterans, the majority of whom were 20 to 24 years old, ran approximately 12-15%. Veterans were thus granted preference in MDTA and the Public Employment Program (PEP). When the rate declined in the years 1973 to 1974 to a modest 8%, many in and out of veterans affairs concluded that these veterans were on their way to complete readjustment and no further action was needed. During this period, CETA was created, notably without special provisions for Vietnam veterans. Unfortunately, unemployment rose again in 1975, resulting in "special consideration" for Vietnam veterans under the newly created Title VI of CETA. Vietnam veteran joblessness abated in 1976, but by early 1977, had begun to rise again. This time, the Carter Administration took executive action and created the HIRE programs and DVOP. HIRE was phased out within two years and only through repeated intercession by Vietnam veteran advocates did DVOP live long enough to become a statutory

program in 1980.

By 1979, in fact, unemployment among Vietnam veterans dropped below 4%, and virtually everyone in Congress believed, once again, that the problem had been resolved. Yet, in 1983, joblessness among Vietnam veterans, most of whom were well into their thirties, reached an historic high. Over 900,000--one out of every ten--Vietnam veterans were jobless.

Mr Chairman, perhaps now it is understandable why VVA greets with skepticism any conclusion that the unemployment problem of our generation of veterans is over. We have heard it before.

In fact, unemployment among Vietnam veterans has not really abated in nearly a decade and a half. On any given day during the last fifteen years, nearly half a million such veterans have been jobless. This pattern has persisted despite the aging of the population which should have seen a corresponding decrease in joblessness.

Concerning the figures provided by the Bureau of Labor Statistics, it should be borne in mind that comparing unemployment data on Vietnam veterans to that of their nonveteran peers has certain limitations. As I have just mentioned, Vietnam veterans, unlike the non-veteran cohort, are a stable, aging population. Among non-veterans, by contrast, there is a fresh supply of youth moving into the cohort. Since there is a significant correlation between age and employment

status, unemployment comparisons among five year cohorts are more useful than comparing the overall 25-39 cohorts. VVA believes that a longitudinal study of veteran vs nonveteran cohorts, where average age is weighted and the data adjusted, would reveal a chronic disparity between the two groups, but most particularly in times of economic downturn.

BLS also does not count discouraged workers as a part of the labor force. If a veteran has given up looking for a job, he or she is not counted as among the unemployed. Also not counted as unemployed are workers on the fringe of the labor market--those who work part time, whether by choice or because fulltime work is not available.

Thus, instead of hastily dismissing the problem based upon several months of favorable Bureau of Labor Statistics figures, we really ought to be asking why--why has unemployment among Vietnam veterans persisted so long, why is it so erratic, and why did it reach its historic high just two years ago--a full decade after the end of the war? VVA believes it is clear that historically the employment problems of Vietnam veterans have been narrowly and wrongly viewed as cyclical, instead of structural, requiring shortterm, rather than long term solutions. Structural unemployment and underemployment has made a significant minority of Vietnam veterans chronically and disproportionately vulnerable to fluctuations in the economy. For this reason employment has also never really been

considered as part of the readjustment process.

EMPLOYMENT AS A READJUSTMENT ISSUE

As the Vietnam war heated up in the mid nineteen sixties, Congress recognized the need for a GI Bill to facilitate the readjustment of our returning soldiers. The goal of readjustment is to insure that military service, particularly in wartime does not put the veteran at a lifelong disadvantage compared to his or her nonveteran peers. The Nation's experience with the GI Bill for World War II veterans demonstrated also that readjustment programs were a sound investment in the country's economic health as well. Readjustment needs include education, housing, psychological readjustment and employment. The Vietnam GI Bill provided for education within ten years of discharge and a lifelong opportunity to buy a home. After a long delay, the Vet Center program was finally created to deal with those intangible wounds of war that were standing in the way of readjustment for many combat veterans. There was no comprehensive program established, however, to assist returning veterans in finding good jobs. Instead, what followed were a series of temporary measures, "emergency" job programs of short duration and dubious efficacy. The reality is that employment was never viewed as a readjustment issue, only an anomaly that was addressed with programs so short that few ever had a chance of succeeding.

Compounding the problem were several impediments to readjustment during the 1970´s which set many Vietnam veterans back even further in the competition for jobs. First, emerging as the soldiers of a divisive war, Vietnam veterans became uncomfortable reminders of a war best forgotten. Instead of returning to parades, they returned to unemployment lines as well as mistrust. Negative employer attitudes towards veterans of Vietnam persist to this day as documented in the study by James Bordieri and David Drehmer of DePaul University. Complicating this situation were the economic fluctuations which began in the late nineteen sixties, as the American and world economy passed into a state of flux and transition. It should not therefore come as any surprise that readjustment evaded many Vietnam veterans, particularly an an area such as jobs where the Federal government´s efforts had no consistent or serious focus.

VVA was pleased therefore when the Ranking Minority Member of this Committee, Senator Alan Cranston, first suggested in 1983 that EVJTA should become an entitlement program, and introduced S.992. The measure would have provided for veteran eligibility certifications through March of 1986, and avoided the budget request delays late in 1983 which substantially inhibited implementation of the program.

VVA still endorses Senator Cranston´s concept of

entitlement, since it is clear that only a longterm effort in this area, similar to those written for education, housing and psychological readjustment, will resolve the problem once and for all.

VETERANS SERVED BY EVJTA

The report recently released by Centaur & Associates, under contract with the VA to study EVJTA, concludes that overall the program has been well managed and effective. Centaur does disclose, however, that EVJTA has had a high dropout rate (in excess of 50%) and that most participating employers hiring veteran eligibles engaged in "creaming" or selecting the best applicants referred to them from the pool.

The use of the term "creaming" is unfortunate, and has implications which, given the very nature of eligibility under EVJTA, are absurd. The term implies that those hired were not in need of the program. It is difficult to conceive how hiring anyone unemployed for fifteen weeks or more, can be considered "creaming," or how that person could be viewed as not in need of job assistance. EVJTA is not CETA, devoted exclusively to new labor market entrants or the hardcore unemployed.

The high dropout rate in the program should be examined in this context. EVJTA has essentially two types of veteran eligibles. The first type of eligible has significant job readiness problems, which may include shelter, food, or

psychological readjustment, to name a few.These conditions will adversely affect his or her ability to acquire or hold a job, with or without the employer incentive provided by the program. The second type of eligible is job-ready, but has experienced periods of unemployment and underemployment related to job skills. This last group is the structurally unemployed, those Vietnam veterans who want work, are able to find some kind of work during periods of economic health, but who have either remained on the fringes of the labor force, or who have been displaced by a changing economy.

Ideally, a comprehensive veterans' job program should be able to serve both types of veteran eligibles. Given its limited resources, however, EVJTA does in fact only serve those veterans who are job-ready. This explains the 50% dropout rate. Nonjob-ready eligibles apply and are often placed in training positions. Without adequate preparation and initial support, however, they are unable to stay in the program. Clearly, if EVJTA is expected to serve both types of eligibles successfully, then supportive services resources need to be developed for the non job-ready. Presently, the only source of such resources is the Job Training Partnership Act (JTPA), where local governments control the resources and veterans have been virtually eliminated as a priority group. Title IV-C of JTPA provides veteran-specific funding, but only $7.5 million out of a multi-billion dollar program budget--a sum hopelessly

inadequate to the need.

EMPLOYERS UNDER EVJTA

Fifteen years experience in dealing with employers and Vietnam veterans has shown that no public relations efforts of any size can alone persuade employers that hiring veterans is not only patriotic, but makes good business sense. In fact, employers do need an incentive. This conclusion may seem to contradict the Centaur study finding that employers with veteran eligibles training under this program claimed for the most part that they would have hired the individual even if an incentive were not available. This does not mean, however, that an incentive was not needed in the first place. Were it not for the program and the incentive, most employers would have never interviewed or hired the veteran who later turned out to be such a valuable employee.

Probably a more accurate assessment of employer attitudes toward hiring Vietnam veterans appeared in the Journal of Applied Social Psychology in 1984 (14,4, pp.341-347) in an article by James E. Bordieri and David E. Drehmer, entitled "Vietnam Vets: Fighting the Employment War." Tharticle discussed a test of 66 supervisors and midlevel managers. The test showed that,although perceived as equally qualified, "the Vietnam veteran showed a significantly lower recommendation to be hired than the non-Vietnam veteran."

Mr. Chairman, I request that a copy of this article be entered into the record.

Despite the newly awakened recognition of Vietnam veterans nationally, it is apparent that we still have far to go to educate the employer community and to address the structural employment problems Vietnam veterans still face. VVA believes that EVJTA, with its employer incentive, is one of the best means to penetrate and educate the employer community so that greater numbers of employers, like their present EVJTA counterparts, will learn that Vietnam veterans are valuable workers and are worth the investment.

The history of temporary, stopgap jobs programs for Vietnam veterans has been ineffective, and the present legislative imbroglio even damaging to relations between Vietnam veterans and employers. No one will dispute that there is a profound mistrust of the federal programs in the private sector. The experience of the Targeted Jobs Tax Credit Program has demonstrated that effective jobs programs do not happen overnight, that they must gain the trust of employers. This cannot happen if a program's existence and resources are called into question every six or twelve months.

EVJTA AND THE BUDGET

VVA is not unmindful of the pressures brought to bear on

both the Congress and the Federal government as a result of enormous budget deficits. But we believe the cost of EVJTA--at $75 million per year--ought to be put into perspective. The yearly cost of EVJTA is 3/10 of 1% of the yearly multibillion dollar budget of the VA; it is % of all the readjustment dollars spent next year at the agency.It pales into insignificance against the veterans budget items with which this Committee has wrestled, such as compensa-tion and pension COLAS, health care costs. and the homeloan revolving fund. Even minor legislation, such as the correspondence school entitlement under the new GI Bill introduced by Senator Cranston, is comparable in cost.

VVA recognizes that hard choices need to be made to reduce the budget deficit. We believe, however, that EVJTA is just as vital to the interests of Vietnam veterans as many of the programs that the Senate has chosen to sustain are to our fellow citizens. We believe the program not only assists the veteran but also ultimately benefits the taxpayers of the United States in two ways. First, over the short term, EVJTA immediately makes the veteran a taxpayer, since he or she is employed during the training period. A veteran entering a $16,000 per year job will pay at least $1600 in federal taxes during the first year. Since the cost of the program for that veteran will be approximately $4000, this means that 40% of the cost of training is returned to the Federal Treasury during the

first year of employment alone. This offset does not include other considerations such as unemployment insurance, AFDC, food stamps and other costs in taxpayer dollars which are obviated by the veteran's employment. Second, there is a long term benefit to taxpayers in this program. As we have indicated earlier in our testimony, many Vietnam veterans have suffered recurrent periods of unemployment which are directly attributable to lack of skills, and consequent vulnerability to being last hired and first fired. Skill training under EVJTA should go a long way toward assuring that the cycle of employment and unemployment is finally ended for veterans trained under this program.

VVA RECOMMENDATIONS

VVA recommends that the Senate extend EVJTA for an additional three years and authorize $75 million per year. We would also recommend that the 15 week eligibility criterion be examined. Structurally unemployed veterans do not necessarily experience long periods of unemployment, but will seek and work at any job to support themselves and their families. Eligibility criteria should be especially reviewed in light of recent findings of employment disadvantage in combat veterans.

We also believe that EVJTA's effectiveness will improve if supportive services are provided for the non job-ready applicant. Present resources under JTPA are simply not

adequate. The Committee should consider either amending EVJTA to provide additional resources for supportive services, assume sequential jurisdiction over Title IV-C of JTPA with a view toward increasing the funding available, or consider separate supportive services legislation.

Mr. Chairman, the average Vietnam veteran is now thirty-eight years old. The cycle of unemployment and underemployment needs to be halted once and for all. We earnestly believe serious action on EVJTA will accomplish that end. If action is not taken, if this program goes the way of all of the other veterans jobs programs since the Vietnam War, I am confident that we will be back in this room again in a year or two or three, considering still another piece of "emergency" veterans employment legislation.

Thank you.

STATEMENT OF
ARNO B. ZIMMER
DIRECTOR, GOVERNMENT PROGRAMS
MANAGEMENT INSIGHTS, INC.

BEFORE THE

COMMITTEE ON VETERANS' AFFAIRS

September 12, 1985

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE:

Thank you for the opportunity to speak today with regard to an extension and revitalization of the Emergency Veterans Job Training Act (EVJTA).

Mr. Chairman, as Director, Government Programs for Management Insights, Inc. (MII), headquartered in Dallas, Texas, with offices here in Washington, D.C. as well as St. Louis, Missouri and Los Angeles, California I address you from the perspective of dozens of private sector employers.

MII represents over 200 diversified corporations, many in the ranks of the Fortune 500, in the retailing, hospitality, computer, aerospace, trucking and manufacturing industries. My primary function is to insure that our client companies achieve maximum participation in training programs such as the one advocated under EVJTA.

Mr. Chairman, since 1969 I have watched training programs come and go. Since the days of the Manpower Development and Training Act (MDTA) through the Comprehensive Employment Training Act (CETA) to the Job Training Partnership Act (JTPA), there has been a series of programs packaged and "re-packaged" to attract the attention of the private-sector, offering incentives to hire and train individuals in targeted groups.

EVJTA stands out as an absolutely unique effort with its focus on the unemployment problems of two particular veteran groups, those from the Vietnam-era and Korean Conflict, and the creation of a public/private partnership to address their special obstacles to gainful employment.

Mr. Chairman, during a typical week, I deal frequently and directly with personnel managers of major corporations, managers and veterans representatives in local job service offices and with officials in the Veterans Administration.

It is from this perspective that I wish to comment today and focus on three specific questions which continue to be raised with regard to the effectiveness of EVJTA.

1. "Would The Veteran Have Been Hired Anyway - Without EVJTA?"

2. "Why Is There A Seemingly High Drop Out Rate?"

3. "Do Employers Tend To Screen And Take The Best Available Veteran?"

Let me begin, Mr. Chairman, with the first question, "Would The Veteran Have Been Hired Anyway - Without EVJTA?"

My immediate response is emphatically NO, simply because the discouraged, unemployed, confidence-shaken veteran, in all likelihood, would not even have bothered to apply to that particular employer for that particular job if the EVJTA "mechanisms" weren't already in place. These mechanisms include the training program approval process with the Veterans Administration, the veteran certification process, and the outreach/job matching efforts of local job service veteran representatives and employers.

Possession of a certificate by a veteran singles him or her out for special consideration by an employer. It opens doors and, at the very least, gives the veteran a psychological boost.

The veteran with a certificate finds his way to the employer through a prescribed support system, both formal and informal. Public information announcements and literature from the U.S. Department of Labor and a variety of other agencies, the veterans organizations networks and, again, the veterans representatives in local job service offices -- all come together to breathe life into EVJTA.

For the employer, the very process of applying to the Veterans Administration for approval sets the machinery in motion. It underscores a commitment to

increase veteran hiring and sends a clear message out to all concerned parties in the community that affirmative hiring of veterans will occur.

Many employers set up elaborate personnel screening systems to effect increased participation in EVJTA. In addition to placing and updating specific job orders with veterans representatives in local job service offices, these employers place EVJTA signs in the employment lobby asking certified veterans to identify themselves, code incoming applications with a "V" to indicate EVJTA eligibility, establishing "set-asides" for veterans in upcoming training classes. These practical procedures may go unnoticed or unheralded but the fact is that they have an appreciable effect on veteran hiring under EVJTA.

When I hear that EVJTA wasn't an inducement to hire the veteran, in particular that the salary reimbursement was not an incentive, it puzzles me somewhat. No employer wants to be viewed as a bounty hunter putting a $10,000 price tag on the veteran. It is a difficult question for an employer to answer in the affirmative, particularly after the veteran has been hired and has performed well on the job. Suffice it to say that all the mechanisms of EVJTA, including the salary reimbursements and documentation of affirmative action efforts, serve to increase veteran hiring.

Regarding the second question, "Why Is There A Seemingly High Drop Out Rate?", there are a number of factors involved.

The number of voluntary terminations suggests some difficulties with job matching and also suggests that many veterans simply take a position [and the employer takes a chance] for which they know they are ill-suited.

When you deal with a population out of work 15 of the last 20 weeks, you face a number of obstacles to successful integration into the workforce. Poor work habits and unwillingness or inability to adjust to rigid work schedules come quickly to mind.

Because of traditional seniority systems, formal or informal, veterans under EVJTA are also highly vulnerable to involuntary termination or lay-off.

Another factor is the hiring of "marginally" qualified veterans by approved employers willing to lower personnel standards specifically because of EVJTA. Many of these veterans have a long history of personal problems which the employer can't be expected to address in a training program. My personal feeling is that their drop-out rate would be lowered if supportive services through appropriate local agencies were made available at the inception of employment and provided on a regular basis during those first few critical months of adjustment on the job.

On the positive side, I would like to point out that all of these veterans in the pool of terminations received some exposure to work and to the private sector. For however long, they broke the cycle of unemployment, regained a certain degree of self-respect, put some money in their pockets, paid a few bills, even learned some skills which they took with them to another job. Why not "track" these veterans and analyze their situations before we consign them to the scrap heap or look to place blame on someone for their problems?

Mr. Chairman, the third question was "Do Employers Tend To Screen And Take The Best Available Veteran?"

I don't believe that we can have a high drop out rate, as contended by some, and turnaround and deride the employer for being too selective.

Employers have been encouraged to participate in EVJTA under guidelines set forth by the Congress and the Veterans Administration. The employer is directed to a certified pool of eligible veterans and told that he should select candidates from that pool.

In short, employers have no choice except to participate in EVJTA under pre-established guidelines. Should we now critize the employer if he utilizes this system in a manner most consistent with traditional personnel systems?

It is sad to say that a certain strata of certified veterans need long-term assistance for acute personal problems. EVJTA is not the program to serve their needs and, quite frankly, it does a disservice to the veteran, the employer and the goals of this training initiative to include them in a negative statistical argument against the program.

If the employer wasn't willing to consistently take chances on the underskilled or even unskilled veteran, we would not have the retention problems discussed earlier.

It would seem that retention could be improved, however, if the veteran received [from outside agencies] supportive services to assist in solving what are, in many cases, pervasive personal problems.

Mr. Chairman, I would like to conclude with a few brief observations about EVJTA.

Most significantly, the employers with whom I work have witnessed a steady numerical deterioration in the referral of veterans from the local job service offices and in the flow of walk-in veteran job candidates. Since September 1st, when hiring under EVJTA was suspended, the veteran referral system fueled by the program has come to a screeching halt.

Many approved employers are geared to setting aside job openings for certified veterans but simply can't find them. Reports from state job service offices across the country bear out this alarming fact. An extension of EVJTA and a re-opening of the certification process will eliminate these obstacles.

The special relationship established between the Veterans Administration, the job service, veterans organizations and the employer community will be damaged if EVJTA is allowed to expire.

If you look at the age of veterans served by EVJTA, you will realize that EVJTA is the last opportunity to serve the employment needs of this special, target population. This need takes on added significance when you observe that 98% of the veterans served by EVJTA have had no contact with training programs authorized under the Job Training Partnership Act and that Title IV of the Act doesn't begin to provide the resources needed to replace EVJTA.

Without an extension of EVJTA, the veteran and the employer lose an opportunity now within your grasp to continue a worthwhile employment and training effort.

Mr. Chairman, thank you for the opportunity to address the Committee. My statement is concluded and I would be happy to answer any questions.

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September 16, 1985

Honorable Frank H. Murkowski
Chairman, Committee on Veterans Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman,

At the Committee oversight hearing on September 12, 1985, you requested that I provide for the record a statement of the official position of Vietnam Veterans of America (VVA) on the future of the Emergency Veterans Job Training Act (EVJTA). You were specifically concerned about our views on the disposition of the remaining $20 million in appropriated funds for the program, and the assignment of eligibility priorities within the program.

Regarding the disposition of the remaining EVJTA monies, VVA agrees with the compromise between the Committee and Senator John Kerry reached early in August, with one exception. We believe that extension of veteran eligibility ought to be a part of the extension package. As I indicated to you in my August letter, those of us with hands-on experience in serving unemployed Vietnam veterans recognize that an eligibility pool seven months old is probably no longer viable. A long period of unemployment is a disruptive event in any person's life: veterans are likely to have moved, had their phones disconnected, or taken the first job available to them in the secondary labor market in order to feed their families. Noone I have spoken with, who is directly involved with the labor exchange aspect of EVJTA, believes otherwise.

Concerning changes in priorities in the program as a part of the compromise extension, VVA opposes any changes, and believes discussion of priorities ought to focus on the longterm future of the program. Any such changes made with remaining monies would be administratively disruptive since they would affect only the short term.

As you are aware both from correspondence earlier this year, as well as from our testimony last week, VVA believes EVJTA should be a longterm effort, to deal with a chronic, rather than cyclical problem. VVA recommends, therefore, that the Senate extend EVJTA for an additional three years and authorize $75 million per year. We would also recommend that

the 15 week eligibility criterion be examined. Structurally unemployed veterans do not necessarily experience long periods of unemployment, but will seek and work at any job to support themselves and their families. Eligibility criteria should be especially reviewed in light of recent findings of employment disadvantage in combat veterans.

We also believe that EVJTA's effectiveness will improve if supportive services are provided for the non job-ready applicant. Present resources under JTPA are simply not adequate. The Committee should consider either amending EVJTA to provide additional resources for supportive services, assume sequential jurisdiction over Title IV-C of JTPA with a view toward increasing the funding available, or consider separate supportive services legislation.

Mr. Chairman, VVA recognizes that these are difficult times for the Congress, facing as it does, mounting Federal deficits. Yet we do not believe this program should be relegated to the low priority which the Committee has heretofore assigned it. EVJTA addresses a major, continuing readjustment problem which has never been adequately addressed in the last fifteen years. We therefore urge you to review the testimony VVA, along with other expert witvesses, provided and work with the veterans organizations to assure that Vietnam veterans secure a real niche in the labor force.

Sincerely,

DENNIS K. RHOADES
Executive Director

PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

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September 18, 1985

The Honorable Frank H. Murkowski
United States Senate
Senate Committee on Veterans' Affairs
SR-414 Russell Senate Office Building
Washington, D.C. 20510

Dear Senator Murkowski:

Per your request, during the September 12, 1985, hearing regarding the Emergency Veterans' Job Training Act, PVA's position is as follows:

a. The program got off to a slow start, but it has been successful in its mission.
b. The emergency aspect does not exist as it once did.
c. Faced with the budget today, EVJTA is not priority for funding.
d. Extend program date to expend the remaining funds.
e. Eligibility should remain the same, serving the already recognized hard-core unemployed veteran.

PVA appreciates the opportunity to testify, and I hope this letter clarifies our position.

Sincerely yours,

Bob Moran

Bob Moran
Associate Legislative Director

BM/dc

801 Eighteenth Street, N.W., Washington, D.C. 20006 (202) USA-1300

STATEMENT OF JAMES G. BOURIE
NATIONAL SERVICE DIRECTOR - AMVETS
Before The
COMMITTEE ON VETERANS AFFAIRS
UNITED STATES SENATE
ON
VETERANS EMPLOYMENT ISSUES
September 12, 1985

AMVETS respectfully wishes to take this opportunity to express its views on the Emergency Veterans Jobs Training Program and other veteran employment and training matters.

At the onset, AMVETS fully supports an extension of the EVJTP for a minimum of two (2) years. This program has, after a slow start, worked well, and has been received favorably by both employers and eligible veterans. AMVETS itself has hired eight (8) Service Officers under EVJTP, with whom we are most pleased. Indeed, insofar as substantial veterans employment and training programs go, it is the only one available, although limited to certain veterans. The inadequacy of the veterans program under Title IVC of the Job Training Partnership Act is apparent, little beyond referral at the local level can be accomplished with $8 to $9 million dollars.

According to the Bureau of Labor Statistics, veteran unemployment rates have declined over the past few years. But we must not delude ourselves into thinking that veteran unemployment is a fading issue; quite the contrary. Recent studies have undercovered this point; for example, in the Center for Community Economics Survey of California's unemployed and underemployed Vietnam Era, disabled and recently separated veterans, it was found that (1) Vietnam veterans are unemployed for an average of 50 weeks, (2) 22 weeks longer than those with no Vietnam service and 31 weeks longer than the National average, (3) Vietnam veterans have a lower median income than Vietnam Era and non-veterans, and (4) there are three times as many service-connected disabled among the unemployed and under-employed than among the National Vietnam Era veteran population.

While limited to California, the study's findings are corroborated by the recent American Legion/Columbia University study which pointed out a significant income loss to Vietnam veterans. Further, a recent DePaul University study administered to MBA candidates on potential hiring of Vietnam and non-Vietnam veterans revealed that being a Vietnam veteran carried a negative bias to hire and that such discrimination on the basis of being a Vietnam veteran may represent a formidable barrier to entry into the job market.

Studies aside, our contacts with veterans, local veteran advocates, Service Officers, LVERs/DVOPs and VES field personnel lead us to the same conclusion: we have yet to turn the corner. And the unemployment problems, while acute for Vietnam Era, are just as bad for older, disabled and minority veterans.

While 300,000 eligible veterans have been certified for the EVJTP, only 30,000 actually were placed. A result far to modest in our estimation. There are a variety of reasons for this disparity: lack of qualified veterans in the area; jobs needing higher skills; unskilled veterans, length of unemployment and so on. Now what will become of the 270,000 or so eligible veterans who were not placed? Do we raise their expectation level, have them place their trust in another government program only to become more bitter and dispondent over their economic condition?

It is indeed a compliment to the leadership of the Department of Labor, its office of the Assistant Secretary for Veterans Employment and Training, and the VA, that the EVJTP worked so well, and certainly points out what can be accomplished when Federal agencies unite for one commitment. But that commitment must not fade. The EVJTP, if only limited, is successful and needs to be continued. One of the greatest impediments to the EVJTP we have found is the eligibility requirement of 15 weeks of unemployment prior to certification. AMVETS finds this unreasonable and capricious and favors a reduction to 5 weeks of unemployment prior to eligibility.

Mr. Chairman, we cannot allow the EVJTP to expire, it is a critical program, indeed the only program of real value to tens of thousands of veterans; the only program which offers them any real hope for economic independence and self-worth.

We would also, Mr. Chairman, like to comment on the overall situation in veterans employment and training matters administered by the OASVET and the State Employment Security Agencies (SESAs). First, AMVETS pledges its cooperation to Secretary Shasteen and his program administrators and we stand ready to assist them whenever necessary. We also reserve the right to point out problem areas that may also arise. We have the greatest amount of confidence in Mr. Shasteen and believe he shares our goal of full veteran employment.

Given OMB's quick red pen regarding veterans programs, AMVETS feels that the OASVET may be in for some rough weather. While no Federal staff cuts are anticipated in FY86, OMB has arbitrarily set a funding ceiling on the LVER and DVOP programs which is contrary to law and regulation. The LVER Program is requested at $50.6 million for 1,489 positions, a loss of one-hundred eleven (111) from the current 1,598 positions. In order to maintain the current staffing levels an additional $4.5 million is needed. Likewise with the DVOPs. In FY86, $60 million is requested for 1,932 positions. However, in reality, 2,028 positions are authorized by law for an additional $4.2 million.

Therefore, both programs will be short nearly $8.9 million in FY86 with a loss of 207 personnel who are in the front line of veteran unemployment problems. AMVETS will not tolerate such heavy handed action by OMB and will do everything it can to restore full funding to the LVER/DVOP Programs. We urge this Committee to join us in urging the restoration of the needed $8.9 million to the Department of Labor budget.

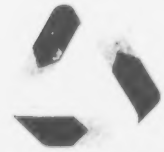
We also have concerns over the future of certain Veterans Employment and Training Service positions which are not mandated by law; notably, the Regional Directors of the Veterans Employment Training Service. They are an easy target for OMB. By reducing an already marginal staff, coupled with the slow dismantlement of either, or both, of the LVER/DVOP programs, the OASVET will be rendered impotent and ineffective. AMVETS strongly believes the OASVET has taken all the cuts it can effectively absorb.

Mr. Chairman, there are other issues of which we feel this committee should be aware. There is the continuing problem of the Office of Federal Contract Compliance Programs and its failure to enforce Section 2012 of Title 38, USC, affirmative action for veterans. And while we are encouraged by the appointment of a new director, have had one veteran organization meeting already, we must first wait and see. We also feel that the veteran programs under JTPA IVC is far too inadequate. Further, there is no effort or accountability for veterans in other JTPA programs. We would also like to see special demonstration projects for older and disabled veterans and other projects of a substantive employment and training nature.

We also note current Veterans Employment and Training Service vacancies, one of which has been unfilled for over eight months. More importantly, the VETS must now be more active in state/local veterans employment affairs; involving veterans organizations; ensuring veteran participation in JTPA programs; closer coordination with the State Job Service Administrators and firm goals and objectives. The VETS must become proactive, not reactive.

This would also include greater control over those states Job Services, many of whom fail in one way or another to comply with mandatory veteran services. For too long, states have dictated when, where and how they will serve veterans - all in disregard of the law. The OASVET must no longer aquiesce to their demands.

Mr. Chairman, to conclude, the state of veterans employment training matters is in transition. The issues of veteran employment will, regretably be always with us. To address that issue a fully staffed and funded VETS is needed. Additionally, programs of worth are also needed, and the EVJTP is one that should continue.



ICESA

INTERSTATE CONFERENCE OF EMPLOYMENT SECURITY AGENCIES, INC.
SUITE 126, 444 NORTH CAPITOL STREET, N.W., WASHINGTON, D.C. 20001, 202/628-5588

September 9, 1985

The Honorable Frank H. Murkowski
Chairman, Veterans' Affairs Committee
United States Senate
Washington, D.C. 20510

Dear Chairman Murkowski:

On behalf of the members of the Interstate Conference, allow me to express our appreciation for the opportunity to submit this statement for the record, in support of the oversight hearing sponsored by your Committee on September 12, 1985, concerning employment opportunities for Vietnam Era veterans and the Emergency Veterans' Job Training Act (EVJTA).

The Interstate Conference supports the extension of the EVJTA, as an effective tool in assisting eligible veterans to find meaningful career opportunities. After a somewhat slow start, we have seen it take firm hold in the private sector, opening opportunities to veterans where previously, consideration of this group was ignored. We want to make it clear that our support for Program extension is based solely on the fact that it works; not because it enriches our budget as administrators of the Program at the State and local level. In fact, the State Employment Service Agencies have never received Federal appropriations in support of the EVJTA. We operate the Program with existing staff and support facilities.

When the full Senate acted to extend only the training portion of the Program, just prior to the August recess, we surveyed approximately 20 percent of our members to determine their assessment of the Senate action. The responses (enclosed) that we received were unanimous in their support for extending not only the training side, but also the applicant portion of the Program. It has been over six months since our agencies have been permitted to certify eligible veterans for the EVJTA; and the message is clear from our members, that there are thousands of eligible veterans visiting our local offices daily, who could benefit from the Program.

If only the training period is extended, it is our strong belief that not only will remaining funds fail to be expended, but such limited action will unfairly raise the expectations of many employers who will not be able to fill the training slots. These employers will eventually withdraw their support for existing

veterans' programs, be reluctant to support future efforts on behalf of veterans' employment and training, and create a negative impression of the Employment Service. It is most apparent to us that there is everything to gain and nothing to lose by extending both parts of the Program.

In addition to the above recommendation, the period of unemployment necessary for a veteran to qualify should be reduced from 15 out of the previous 20 weeks to 5 out of the previous 20 weeks, as proposed in the House bill (HR 1408). This action would broaden the effectiveness of the Program beyond the long-term unemployed, creating a positive impact on other veterans needing assistance such as those currently drawing unemployment compensation.

The Interstate Conference appreciates the opportunity to have input on these important issues affecting veterans' employment and training.

Sincerely,

Alan Lafferman
Assistant Director

AL:jkr

Enclosures

STATE OF ALASKA

DEPARTMENT OF LABOR

DIVISION OF EMPLOYMENT SECURITY
AFFILIATED WITH U.S. EMPLOYMENT SERVICE

BILL SHEFFIELD, GOVERNOR

P.O. BOX 3-7000
JUNEAU, ALASKA 99802
PHONE (907) 465-2712

August 9, 1985

The Honorable Frank H. Murkowski
United States Senate
317 Hart Building
Washington, D.C. 20510

Dear Senator Murkowski:

This letter is to request your support in extending the time period for certifying eligible veterans for the Emergency Veterans Job Training program.

As your committee reviews the amendment to SB 876, a summary of the current veterans job training situation in Alaska may be helpful. Alaska long led the nation in placing veterans in job training slots. Activity began to decline after February 1985, however, when no new veterans could be certified. As the pool of eligible veterans dried up, so did the potential for matching a suitable veteran to the employers' training slot. Alaska is now faced with the unfortunate situation of employers willing to train and veterans who would otherwise be eligible, but no way to complete the match.

Extending the veteran certification period to March 1986, as well as prolonging the deadline for employers, would go a long way in achieving the goals of the program. Indeed, in Alaska to not do so is end the program prematurely.

Please contact me if you desire any additional information.

Sincerely,

John W. Shay, Jr.
Director

cc: Chris Yoder
Senate Veterans Affairs Committee
SR-414 Russell Senate Office Building
Washington, D.C. 20510

Jill Cochran
House Veterans Affairs Committee
335 Cannon House Office Building
Washington, D.C. 20515

07-G37LH

Mary L. Bryant
Jackson

Hugh Gibson, Chairman
Export

William G. Leonard
Mt. Olive

MISSISSIPPI
EMPLOYMENT SECURITY COMMISSION

Cohen Robertson, Executive Director

In Reply Refer To:

P. O. BOX 1699
JACKSON, MISSISSIPPI 39205

August 5, 1985

Mr. William A. Heartwell
Interstate Conference of Employment
Security Agencies, Inc.
Suite 126
444 North Capitol Street, N.W.
Washington, D.C. 20001

Dear Mr. Heartwell:

I have just received information that Congress has extended the Emergency Veterans' Job Training Act for new contracts to be written and existing contracts to be filled, but no provisions have been made to allow new veterans to be certified. Since no new veterans have been certified since February 28, 1985, the available pool of certified veterans has become very small. Of the approximately 2,700 who were certified as eligible to participate in the program, approximately 1,300 are no longer unemployed or are unable to be located. Some 800 or so have skills in declining industries but are not willing to retrain for lower wages, while the remainder have been referred to all available employers and are not acceptable for a variety of reasons.

As you are aware the Employment Security Agency receives no administrative funds to operate this program. Regardless of this, we feel that the program has been very significant in helping both veterans and employers.

Since its beginning in Mississippi there have been 325 employers certified to participate, representing 563 job openings. Approximately 100 of these jobs have not been filled due to changes within the employer's organization, or a particular veteran not being eligible for the program, and about another 75 are in employer requested hold status. At this time, 315 veterans have been employed under this program. Many of these would not have found employment this soon had it not been for this program.

We feel that by extending only the employers' portion of the Act without reopening the certification process for veterans, equates to allowing the program to end September 1, 1985.

Any assistance you can provide in this matter will be greatly appreciate

Sincerely,

Cohen Robertson

STATE
OF
ALABAMA

DEPARTMENT OF INDUSTRIAL
RELATIONS

ALABAMA STATE EMPLOYMENT SERVICE

CLIFFORD DEPRIEST, DIRECTOR

1848 MONROE STREET
MONTGOMERY, ALABAMA 36130
(205) 261-5364

August 2, 1985

Mr. Alan Lafferman
Assistant Director
Interstate Conference of
Employment Security Agencies, Inc.
444 North Capitol Street, N. W., Suite 126
Washington, D. C. 20001

Dear Alan:

This concerns the Emergency Veterans Job Training Act which has proven to be very beneficial to veterans of Alabama and a large number of employers who have agreed to hire, train, and retain veterans under that Act.

We understand that some consideration is being given by Congress now toward extending the date by which veterans could enter training under this Act beyond the current expiration date of September 1, 1985. Under the present rules and procedures, we have not been able to certify veterans as being eligible to participate in this program since last February. During recent weeks, we have experienced some difficulty in Alabama in locating eligible veterans who were certified many months ago that are still interested and available for a training opportunity under EVJTA. In several parts of the State it has been necessary to discontinue promoting the program to the employer community since certified veterans are not available in sufficient numbers to satisfy the training needs.

We in the Alabama State Employment Service strongly suggest that if EVJTA is to be extended at all, and we do recommend it's extension, that the opportunity be opened up for eligible veterans to apply for and be certified for the program as well as to extend the deadline by which hiring and training must begin. Due to the continuous change of individuals so far as status in the labor market is concerned, the effect has been over the past several months to deny the opportunity to participate in this program to qualified veterans who perhaps had no particular need for retraining and other employment before the last few months.

To mention a couple of industries in Alabama, during this year we have experienced significant losses in jobs in the textile and apparel industries. Many of the people who became displaced by

plant reductions or closings could very well benefit from this program as they seek to secure and be trained in another occupation and perhaps in another industry.

Please let me know if additional information on this topic will be helpful.

Sincerely yours,

Clifford DePriest, Director
Alabama State Employment Service

South Carolina
Employment Security Commission

COMMISSION
C. Lem Harper, Chairman
Cecil T. Sandifer, Vice-Chairman
Frank E. Baldwin, Jr., Commissioner

1550 Gadsden Street
P. O. Box 1406
Columbia, S. C. 29202

EXECUTIVE DIRECTOR
Robert E. "Jack" David

August 5, 1985

Mr. Alan Lafferman
Assistant Director
ICESA
Suite 126
444 North Capitol Street, N.W.
Washington, D. C. 20001

Dear Mr. Lafferman:

The Emergency Veterans' Job Training Program underscores the nation's special commitment to those who have served in the military and is designed to help both the employer and the veteran. In South Carolina the Emergency Veterans' Job Training Program has been one of the most successful programs as indicated by the number of veterans who have been hired by eligible employers.

In South Carolina we have placed 665 veterans in the Emergency Veterans Job Training Program. The certification for eligible veterans ended February 28, 1985, and since that time eligible veterans have dwindled to the point that some Job Service offices do not have eligible veterans to refer to employers.

It is recommended that the Emergency Veterans' Job Training Act of 1983 be extended until December 31 for veterans to be certified and until July 1 for employers to hire an eligible veteran. The period of unemployment necessary for a veteran to qualify should be reduced from 15 out of the previous 20 weeks to five of the previous 20 weeks, as proposed by the House of Representatives, in order to broaden the effectiveness of the program to deal not only with long-term unemployed, but also to take veterans off the unemployment rolls who are currently drawing unemployment compensation and thus to make the program cost-effective in saving employer tax dollars that currently are encouraging people to remain unemployed. The program is "geared up" at considerable public expenditures already made, and employers ready to hire are being told that "it's too late.".

Sincerely,

Robert E. David
Executive Director

ES-3

ARIZONA DEPARTMENT OF ECONOMIC SECURITY

Bruce Babbitt
GOVERNOR

1717 WEST JEFFERSON • PHOENIX, ARIZONA • P.O. BOX 6123 85005

Douglas X. Patiño
DIRECTOR

August 5, 1985

Mr. Alan Lefferman
Assistant Director
Interstate Conference of Employment
Security Agencies, Inc.
444 North Capitol Street, N.W.
Washington, D.C. 20001

Dear Alan:

This is an information update on how Arizona has been doing in placement of veterans into the Emergency Veterans Job Training (EVJT) program.

As of August 5, 1985, we have placed 862 veterans into EVJT program, which we consider outstanding. It is unfortunate that the cut-off date for participation was extended for employers to September 1, 1985, and the veteran application cut-off time left at February 28, 1985. This created problems by eliminating the pool of veterans who had no easy to overcome barriers to employment, who lost jobs after March.

The situation of having continued employer participation and our limited ability to serve them with quality veterans further compounded the problem with the possibility of alienating employers.

Recommend that ICESA support the extension of the veteran certification cut-off date to be the same date as the employer participation date.

Hope we see an extension of the program.

Sincerely,

M. D. Martinez by BSL

Manuel D. Martinez, Administrator
Employment and Training

MDM:RZ:pj

ED GRAHAM, Chairman
Representing Public

RONALD E. LUNA, Commissioner
Representing Workers

MARY SCOTT NABERS, Commissioner
Representing Employers

WILLIAM GROSSENBACHER
Administrator

TEXAS EMPLOYMENT COMMISSION

Austin, Texas 78778

August 5, 1985

JOB SERVICE OF TEXAS

Mr. Alan Lafferman
Assistant Director
Interstate Conference of
Employment Security Agencies, Inc.
444 North Capitol Street, NW
Suite 126
Washington, D.C. 20001

Dear Mr. Lafferman:

We strongly support the extension of the Emergency Veterans Job Training Act (EVJTA) as proposed by SB 876. However, it is important that the veteran applicant certification process conducted by the ES also be extended.

Based on our experience in this program, the maintenance of an available pool of "currently" certified veterans is critical to the successful employer/applicant job match. We do not believe the EVJTA program will continue to be as successful without the continuation of the veteran certification process.

Sincerely,

William Grossenbacher

William D. Grossenbacher
Administrator

Equal Employment Opportunity Employer

STATE OF CALIFORNIA – HEALTH AND WELFARE AGENCY GEORGE DEUKMEJIAN, Governor

EMPLOYMENT DEVELOPMENT DEPARTMENT
800 CAPITOL MALL, Sacramento, CA 95814
(916) 445-9212

REPLY TO: August 2, 1985

86:13:lw

Mr. Alan Lafferman
Interstate Conference of
Employment Security Agencies
Hall of States
444 North Capitol St., N. W., Suite 126
Washington, D. C. 20001

Dear Alan:

This week the Senate passed S 876, the bill that includes the Emergency Veterans Job Training Program's extension of the deadline for employers to start their training under this program from September 1, 1985 to March 1, 1986. Many veterans who have not been certified for this program continue to inquire with our Job Service offices about doing so, and number approximately 10,000 in California. However, S 876 does not extend the time period for veterans to apply for certification.

We support efforts to also extend the period for veterans to apply for certification to coincide with the time period extension granted employers.

Sincerely,

MARK SANDERS
Deputy Director
Operations Branch

STATE OF FLORIDA
DEPARTMENT OF LABOR AND EMPLOYMENT SECURITY
Division of Labor, Employment and Training
Tallahassee, Florida 32301

August 6, 1985

Mr. Alan Lafferman
Assistant Director
Interstate Conference of
Employment Security Agencies
444 N. Capitol Street N. W.
Suite 176
Washington, DC 20001

Dear Mr. Lafferman:

It is our understanding that legislation is pending to extend the Emergency Veterans Job Training Act (EVJTA). We enthusiastically support such legislation. We feel that it is essential to extend the period for which veterans may be certified as well as the period that employers may hire eligible veterans.

A recent mail out to veterans who have been certified for the program indicates a dwindling supply of certified veterans. There needs to be a capability of recruiting and certifying a new supply of veterans coupled with the development of new training slots. Employers have been receptive to EVJTA in the past and indications are that they would continue to support it in the future.

In Florida we have placed 1,240 veterans in meaningful employment; we need to continue to be able to provide this type of service to veterans. Your support toward this goal is greatly appreciated.

Sincerely,

Ronald Villella
Director

RV/pwl

EMPLOYMENT & TRAINING
Kneip Building
700 Illinois North
Pierre, South Dakota 57501-2277
Telephone (605) 773-3101

JOB SERVICE
SOUTH DAKOTA DEPARTMENT OF LABOR

August 6, 1985

Mr. Alan Lafferman, Assistant Director
ICESA, Inc.
444 North Capitol Street, Suite 126
Washington, DC 20001

Dear Mr. Lafferman:

It is our understanding that a proposed amendment to Senate Bill 876 is being considered which would extend the Emergency Veterans Job Training Act (EVJTA) until March 1, 1986. We further understand that the amendment, in its present form, would only extend employer eligibility and not the individual veteran's eligibility.

We have discussed the proposed amendment with several of our local offices. The unaminous response is that the extention of the program would be of little or no value unless veteran eligibility is also extended.

Since EVJTAs implementation, the program has been riddled with problems. Competing with the implementation of JTPA and dividing responsibility for the program between ES and the Veterans Administration have been major stumbling blocks. Nonetheless, we have worked hard to offer the benefits of EVJTA to eligible veterans and employers and will continue to do so if the program is extended.

Please consider our comments and forward them to the appropriate congressional staff acting on SB 876. Thank you.

Sincerely,

Chris Lien

Chris M. Lien
Director of Field Operations

JMJ:lsl

STATE OF NEW YORK
DEPARTMENT OF LABOR
STATE OFFICE BUILDING CAMPUS
ALBANY, N.Y. 12240

LILLIAN ROBERTS
COMMISSIONER OF LABOR

August 7, 1985

Mr. Alan Lafferman
Assistant Director
Interstate Conference of Employment
Security Agencies, Inc.
Suite 126, 444 N. Capitol Street, NW
Washington, DC 20001

Dear Mr. Lafferman:

I am deeply concerned about Congressional consideration of H.R. 505 (S. 876), the Veterans' Health Care Amendments of 1985. The Senate version would extend the employer involvement and application provision of the Emergency Veterans' Job Training Act (EVJTA) through March 1986. However, since veteran certification ceased on February 28, 1985, the New York State Job Service has very few certified active veteran applicants in our files.

As of June 30, 1985, New York State offices reported over 170 EVJTA openings. The number of qualified veterans, actively seeking employment in the program, is under 100. If we are unable to certify additional eligible veterans, we will be unable to meet employer demand for qualified applicants. An extension of the employer training provisions without the veteran certification component would damage our ability to serve veterans and employers.

My hope is that we could convince the conferees on H.R. 505 to reopen the veteran certification process and to change the period of veteran eligibility from 15 weeks unemployment to five weeks. We will then be able to recruit qualified applicants and have a pool of eligible veterans to offer employers.

Thank you for your continued efforts.

Sincerely,

Lillian Roberts

Lillian Roberts

Vietnam Veterans: Fighting the Employment War

JAMES E. BORDIERI AND DAVID E. DREHMER[1]
DePaul University

The extent and nature of unfairly discriminatory hiring practices involving Vietnam veterans was experimentally explored. Sixty-six supervisors and mid-level managers reviewed the resume of an applicant and the position description for the job being sought. Given otherwise identical qualifications, the applicant was described as either a Vietnam veteran or a non-Vietnam veteran. Results demonstrated that subjects made significantly lower recommendations to hire the Vietnam veteran even though both applicants were judged equally qualified for the job. The Vietnam veteran was also perceived to have a higher probability of psychological problems in his life. Findings are discussed in the context of Asch's (1946) central trait theory.

Vietnam era veterans have been the focus of considerable study in the last 15 years (Figley, 1978; Lifton, 1973; Stuen & Solberg, 1972). A controversy exists concerning whether Vietnam veterans experience more readjustment problems to postmilitary life than veterans of other wars. Several researchers maintain that Vietnam veterans encounter more difficulty adjusting to civilian life than veterans of World War II and Korea (Borus, 1973; Lewis, 1975; Penk et al., 1981; Scruggs, Berman, & Hoague, 1980; Stenger, 1974). Figley and Levantman (1980) concluded that Vietnam veterans have special psychological difficulties not shared by non-Vietnam veterans. Similarly, a study by the U.S. Senate Committee on Veteran Affairs (U.S. Senate, 1980) reported that 52% of the general public and 60% of potential employers viewed Vietnam veterans as having unique problems worthy of intervention.

In contrast, another body of literature has asserted that Vietnam veterans experience no extraordinary postmilitary adjustment problems (Helzer, Robins, Wish, & Hesselbrock, 1979; Panzarella, Mantell, & Bridenbaugh, 1978). Sherman and Caffey (1972) and Strange (1974) emphasized that any problems experienced by Vietnam veterans are not specific to experiences in Vietnam but represent problems faced by contemporary youth. Similarly, Worthington (1976, 1977) concluded that the postservice problems experienced by Vietnam veterans could be attributed to social, educational, and vocational concerns not associated with military experience.

[1] Requests for reprints should be sent to James E. Bordieri, Research and Training Center, Stout Vocational Rehabilitation Institute, University of Wisconsin-Stout, Menomonie, WI 54751.

Journal of Applied Social Psychology, 1984, 14, 4, pp. 341-347.
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In a recent study of disabled patients in a Veterans Administration hospital, Parent and Magaziner (1983) determined that Vietnam veterans had a slightly higher probability of being successfully placed in vocational training or employment than other veterans. Although this difference was not statistically significant, the authors pointed out that their finding was surprising because several negative factors predict difficulty in the rehabilitation of Vietnam veterans. The Vietnam veterans in their study had a greater number of hospitalizations, a higher percentage of mental illness, and less stable employment histories and comprised a larger percentage of blacks than did the non-Vietnam veterans.

The results of Parent and Magaziner's (1983) study must be viewed with caution since they appear to be confounded by age, education, and disability. The Vietnam veterans were significantly younger, were more educated, and had more service-related disabilities than the other veterans. The positive rehabilitation outcomes experienced by the Vietnam veterans may have been due to these history, maturation, and other cohort effects rather than to their association with the Vietnam War. As a consequence, definitive conclusions may not be drawn.

Parent and Magaziner (1983), Figley and Southerly (1980), and Worthington (1976, 1977) agreed that obtaining employment is an important factor for determining a veteran's successful readjustment to nonmilitary life. The purpose of this present study was to determine whether there is a bias against hiring Vietnam veterans. Specifically, given otherwise identical qualifications for a job (i.e., age, education, work experience, and health), would Vietnam veterans be discriminated against in employment-seeking situations when compared with non-Vietnam veterans? To answer this question, persons from the business community made simulated hiring decisions for a hypothetical job applicant on the basis of the candidate's resume and the position description for the job being sought.

Method

Subjects

The participants were 66 supervisors and mid-level managers attending a midwestern urban university. The subjects volunteered as part of an in-class exercise in the master of business administration curriculum.

Procedure

Subjects were informed that the purpose of the study was to explore how people make hiring decisions. They were told that their task would be to review the resume of a male applicant and the job description of the position he was seeking. In order to disguise the purpose of the study, they were also told that their data would be compared with a group who would also see a taped job interview and that the researchers believed that with careful scrutiny, a resume was a more objective source of data than an interview.

Subjects were randomly assigned to one of two resume conditions. Thirty-three subjects reviewed the resume of a Vietnam veteran; the remaining 33 subjects reviewed the resume of a non-Vietnam veteran. All information was identical on the two resumes except military history. Half the subjects reviewed the qualifications of an applicant who did a 13-month tour of duty in Vietnam during his 4 years of military service; the remaining subjects reviewed the identical qualifications of a veteran who was stateside for the duration of his 4 years of military duty.

The position that the applicant was seeking was the same for the two resume conditions. The alleged job was a Decision Support Systems Analyst with a computer consulting firm. Pilot testing established that the applicant was marginally qualified for this position based on his level of education and work history.

After reviewing the application materials, subjects completed a questionnaire indicating their hiring recommendaton and their perception of the applicant's qualifications. The questionnaire was composed of four 9-point Likert scales measuring (a) the applicant's qualification for the position, (b) hiring recommendation, (c) applicant's mental health, and (d) applicant's physical health. All subjects were debriefed after finishing the questionnaire.

Results

This study was designed to examine the effect on hiring decisions of an applicant's being a Vietnam veteran. The means and standard deviations of questionnaire items are presented in Table 1.

Separate independent group t tests exploring differences between the Vietnam and non-Vietnam veteran applicants on each dependent measure revealed the following results. The subjects indicated that there was no discernible difference in the perception of the Vietnam and non-Vietnam veteran's qualifications for the position, $t(64) = 1.01$, *ns*. Although perceived as equally qualified, the Vietnam veteran received a significantly lower recommendation to be hired than the non-Vietnam veteran, $t(64) = 2.43$, $p < .02$.

In terms of perceived handicap, no discernible differences were reported for the likelihood of physical disability between the veteran groups, $t(64) = 1.61$, *ns*. The Vietnam veteran, however, was reported to have a significantly higher likelihood of having psychological problems in his life than the non-Vietnam veteran, $t(64) = 3.24$, $p < .01$.

Discussion

These results indicate that a negative bias exists concerning employment of Vietnam veterans. This prejudice was found even though both veterans were perceived as equally qualified for the position. This apparent difficulty in

Table 1

Means and Standard Deviations for Questionnaire Items

Item	Vietnam veteran		Non-Vietnam veteran		
	M	*SD*	*M*	*SD*	*t*(64)
Qualifications	4.12	1.90	4.61	2.00	1.01
Recommendation to hire	3.42	2.05	4.67	2.10	2.43*
Likelihood of physical problems	3.58	1.95	2.88	1.54	1.61
Likelihood of psychological problems	4.97	1.81	3.49	1.91	3.24*

*$p < .05$.

obtaining employment may be construed as a hardship in re-entry and readjustment to civilian life. This bias is consistent with the literature (Borus, 1973; Figley & Levantman, 1980; Figley & Southerly, 1980; Lewis, 1975; Penk et al., 1981; Scruggs et al., 1980; Stenger, 1974), which has maintained that Vietnam veterans experience more readjustment difficulties than veterans of other wars.

Perhaps even more striking was the finding that the Vietnam veteran was perceived as having a greater likelihood of psychological problems than the non-Vietnam veteran. This significant difference between veteran groups was obtained despite excellent health and identical personal data on the two resumes. This finding supports Figley and Levantman's (1980) claim that Vietnam veterans are perceived as more likely to experience psychological problems in their readjustment to civilian life. The data suggest that raters endorse this perception of emotional difficulties for Vietnam veterans. The subjects may have perceived that these psychological problems would negatively affect work performance, and as a result they were hesitant to recommend hiring the Vietnam veteran. Of course, replication of these findings is necessary to substantiate this relation.

One explanation of this phenomenon is the idea that central traits (Asch, 1946) may dominate features of perception of the job applicants. According to Asch, a central trait is a characteristic of a person that allows an observer to generate a more detailed impression of this person than would be objectively justi-

fied. Peripheral traits, on the other hand, do not warrant more complete impressions. In the present case, the label *Vietnam veteran* may function as a central trait, whereas the applicant's qualifications are perceived as peripheral in evaluating the job candidate. As a result, a negative halo effect or stereotype governed the perception of the Vietnam veteran, causing a lower recommendation for hiring and the perception of a greater propensity for emotional instability. Whether this perception is an accurate reflection of reality is not the issue here. Since both candidates possessed equivalent backgrounds and qualifications, the differences found must be due to the labeling or central trait process.

One problem remains unresolved: Why does the labeling process not affect qualifications but play a major part in the final recommendation to hire? It may be that qualifications are determined objectively, so that central trait biases have insufficient power to distort the facts. However, a recommendation to hire is a much more subjective decision that apparently is based on something other than a strict evaluation of qualifications. It is in this situation that central traits are likely to make an impact.

Since the applicants' qualifications were judged marginal, the effects of the central trait may have been masked due to unreliability of the measuring process. This reliability could easily be increased by making the candidate either well qualified or clearly unqualified for the position. However, the applicant was made marginally qualified so that ambiguity could be created. Then, the decision to hire could be influenced by subtle bias generated by the manipulation of veteran status.

Whether the central trait phenomenon is sufficiently powerful to influence evaluations when clear differences in qualification exist is unknown. In an applied sense, the power of central traits to modify judgment is important and is beyond the scope of the present investigation, but in the present study bias has been demonstrated. Between identically qualified applicants, subjects preferred the non-Vietnam veteran. Whether training received by professional recruiters overcomes this bias is worthy of further inquiry. It is clear, however, that a general group of supervisors and managers were influenced by the subtle labeling process.

The extent to which the present findings generalize to other situations, groups, and research paradigms is still unknown. Future research might be directed toward exploring hiring decisions for nonveteran applicants as well as veteran applicants. That is, a third resume condition could be added with no mention of military history. This would allow contrasts between military and nonmilitary job candidates. It might also be fruitful to determine whether the subtle bias demonstrated here is sufficiently strong to influence the perceptions of applicants who are more appropriately qualified for the position. This could be accomplished either by enhancing the qualifications of the applicant or by changing the requirements of the position. Answers to these research questions

would help determine the nature and extent of unfair discriminatory hiring practices.

In summary, in this study describing the job candidate as a Vietnam veteran produced a negative bias in the recommendation to hire. Laws have been enacted requiring special affirmative action for Vietnam veterans.[2] These laws were intended to compensate veterans for the training and job opportunities they would have experienced if they had not been in the military. The results of the present study indicate that these laws may be justified on other grounds. Discrimination on the basis of the label *Vietnam veteran* may represent a formidable barrier to entry into the job market for the returning veteran.

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[2] 38 U.S.C. § 2000 ff. Public Law 97-306, Title III, October 14, 1982. Veterans' Compensation, Education, and Employment Amendments of 1982.

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VETERANS EMPLOYMENT AND TRAINING SURVEY

Report of Findings

A Survey of California's Unemployed and Underemployed Vietnam Era, Disabled and Recently Separated Veterans

Prepared for the California Employment Development Department

by

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August, 1984

Acknowledgements

During the course of events through which a survey such as this passes, many agencies and individuals contribute their time, energy, technical knowledge and expertise toward its completion. We gratefully acknowledge the invaluable assistance provided by all. Although there are others also deserving of mention, the contributions of the following individuals and agencies must not be left unstated. Responsibility for coordinating this effort at the California Employment Development Department (CEDD) has been vested in a succession of individuals. The initial impetus was provided by Mark Sanders, Chief Deputy Director of Operations, who recognized the need for obtaining current and accurate data from veterans themselves, data to be used to tailor specific programs to address the unique employment and training needs of Vietnam era, disabled and recently separated veterans.

We are especially grateful to John Healy, then Interim Deputy Director of Job Service and Benefit Payments Branch, who provided unqualified and decisive leadership while representing the project within CEDD. Through his early discussions with Glen Halsey of CEDD and Dennis K. Rhoades, then with the Veterans Administration, a plan for gathering such data was developed. Through all stages of the survey, Glen Halsey, the project officer and liaison between Center for Community Economics (CCE) and the field offices, coordinated the project for CEDD. Without his knowledge of the system and ability to make it work, the survey would not have been possible. Mr. Halsey, a disabled Vietnam veteran who possesses a sensitive and thorough grasp of veterans employment problems and programs, gave the project a total commitment.

The Disabled Veterans Outreach Program Staff (DVOP's) and Local Veterans Employment Representives (LVER's) played a major role in the CEDD portion of the survey, interviewing veterans in the field offices. It was their ability to explain the intent of the survey that made the difference between willing cooperation to provide accurate information and resistance to participate.

The project was funded by the Department of Labor/Veterans Employment and Training Service (DOL/ VETS), who have primary responsibility for implementing the veterans portion of the Job Training Partnership Act (JTPA). Joseph Molinari, Regional Director of DOL/VETS and Ronald Miller, State Director of DOL/VETS acted as liaison with the Department of Labor, overseeing the contracting process, thus enabling the project to continue without unnecessary delay.

The Assembly Select Committee on Veterans Affairs provided support for the project from its inception. Assemblyman Richard Floyd, the Chairman and Michael Leaveck, the Chief Consultant, realizing the value of such a body of information to planning a statewide veteran's initiative, worked tirelessly to encourage veterans organizations and the legislature to support CEDD's efforts on behalf of veterans.

The survey was designed, tested and completed with the cooperation of California's community-based and traditional veteran service providers. Working through their agencies enabled us to survey the most representative population of unemployed and underemployed veterans.

Significant Findings

- Vietnam veterans are unemployed for an average of fifty weeks.

- They are unemployed on the average 22 weeks longer than those with no service in Vietnam and 31 weeks longer than the national average for all unemployed persons.

- Proportionately Vietnam veterans are represented among the unemployed Vietnam Era veterans (VEV's) surveyed to a 66% greater degree than they are represented among the national VEV population. (53% of VEV's surveyed served in Vietnam while they makeup only 32% of the national VEV population.)

- Vietnam veterans have a median household income of $5,625; 37% lower than those VEV's surveyed who did not serve in Vietnam and 80% lower than the national VEV population*.

- Proportionately there are three times as many service-connected disabled among the unemployed and underemployed than among the national VEV population (21% of the unemployed/underemployed in-country Vietnam veterans are service-connected disabled, while disabled makeup only 7% of the national VEV population).

*"Data on Vietnam Era Veterans", September 1983, Veterans Administration, Office of Information Management and Statistics.

- 75% of the veterans surveyed want training, but have no means of support while in training.

- The minimum income needed to meet basic needs while in training is $833 per month.

- 60% of those who received the GI bill for training at institutions of higher learning did not complete a college degree (AA or above).

Chapter I

Introduction

This report presents the findings of a survey project conducted for the California Employment Development Department (CEDD) by the Center for Community Economics, Inc. (CCE). The focus of the survey was the employment and training history and needs of California's Vietnam era, service-connected disabled and recently separated veterans eligible for training under Section 441 (Title IV, Part C) of the Job Training Partnership Act (JTPA). The purpose of the project was to provide CEDD with a body of information to be used when planning appropriate training programs within the state's Service Delivery Areas (SDA's) specifically tailored to address the unique employment problems and training needs of the veterans targeted for training under JTPA.

Between September of 1983 and April of 1984, personal interviews were conducted with 4,036 individuals representing a cross-section of California's unemployed and underemployed veteran population. The surveys were completed at over 200 sites throughout the entire state, including CEDD Field Offices, Veterans Administration Vet Centers, community-based veterans organizations, Veterans Administration Regional Offices, County Veterans Service Offices and the Veteran's Administration Medical Center at Menlo Park, CA.

A full description of the survey, analysis of the results and procedures followed during the project are contained in the report which follows. A sample survey and database abstract are contained in the Appendix.

Background

California has the largest veteran and Vietnam era veteran (VEV) populations in the United States. While the majority of VEV's have made a satisfactory readjustment to civilian life, a substantial number are still experiencing multiple, interrelated readjustment problems which contribute to a continuing pattern of long-term unemployment and underemployment. Some problems unique to this population are Post Traumatic Stress Disorder (PTSD) as a direct result of service in Vietnam, substance abuse problems, legal and marital problems, less than honorable discharges, low self-esteem, alienation from and mistrust of government and institutions and having to overcome a public perception of them as being losers, potentially dangerous and anti-social. Additionally, they returned to a recessionary economy (winding down commensurate with the war) without the training, skills or senority necessary to acquire employment in an increasingly competitive job market. The majority of these veterans are concentrated in major urban areas, but many have settled in rural areas where employment and training opportunities are not readily available. In addition, many veterans are disabled, likely to be minorities, married with children and approaching thirty-seven years of age.

A nationwide survey of Vietnam era veterans completed in 1980, revealed that finding a job was the most significant problem encountered since leaving the service. It further states that support for giving preference to VEV's when hiring is eroding. Evidence to that effect is that only 16% of potential employers

would give in-country Vietnam veterans special preference when making hiring decisions, while only 8% would give preference to those VEV's with no service in Vietnam.*

Many past employment and training programs (particularly the Comprehensive Employment and Training Act (CETA) virtually ignored veterans despite the fact that the law provided for minimum participation rates for VEV's under certain titles. Additionally, many programs tended to be underfunded or inappropriately designed with regard for the veteran's specific employment, training and supportive service needs. Also those working with veterans at the local level oftentimes were without the skills and resources to effectively market the programs or provide necessary supportive services.

Employers, especially small businesses, have traditionally resisted federally sponsored programs. They fear being encumbered by governmental "red tape" and are skeptical of the government's ability to administer the timely reimbursement of training costs.

*"Myths and Realities: A Study of Attitudes Toward Vietnam Era Veterans", July, 1980, Veterans Administration, U.S. Government Printing Office.

Section 441 (Title IV, Part C) of the Job Training Partnership Act (JTPA) provides for programs to meet the employment and training needs of service-connected disabled veterans, veterans of the Vietnam era, and veterans who are recently separated from military service. Programs under this section of the law are to be administered by the Secretary of Labor through the Assistant Secretary for Veterans Employment and Training Service. In the State of California these programs are implemented and administered through the local service delivery areas (SDA's).

CEDD with the support of the DOL/VETS recognizes that new information must be obtained on veterans in order to plan and develop appropriate training opportunities.

Due to limited funding and concern on the part of planners to appropriate monies effectively, support must be given to those programs tailored to the specific needs of veterans and which reflect the realistic labor needs of the private sector.

The purpose of the California Veterans Employment and Training Survey is to sample the population of unemployed and underemployed veterans and obtain an accurate and current body of information on Vietnam era, disabled and recently separated veterans. This information is intended to develop a concise profile of those veterans which will allow the state and local SDA's to assess the appropriateness of that population for JTPA and enable them to determine what programs or proposals could best serve their interests.

The survey was not intended to be a definitive profile of the

total Vietnam era, disabled and recently separated veteran population; nor an in-depth assessment of the many other issues of concern to veterans, such as Post-Traumatic Stress Disorder, or a survey of the other subgroups within the veteran population. Rather, it is intended to provide the reader with a clear understanding of the employment problems experienced by veterans, particularly those who served in Vietnam.

Objectives

The goal of the survey is to provide the California Employment Development Department with a general assessment of the employment and training needs of those veterans eligible for training under JTPA as authorized under Section 441 (Title IV, Part C) of the Act.

The specific objectives of the survey for purposes of this report are:

1. To develop, test and implement a sample survey of unemployed and underemployed Vietnam era, disabled and recently separated veterans.

2. Upon return of a sufficient number of completed surveys, to edit, compile and analyze the data on a statewide basis and for each county.

3. To report to CEDD the findings of the survey and provide recommendations to address the employment and training needs of veterans eligible for training under JTPA.

Methodology

The objectives were accomplished by the following steps.

1. All current and relevant information on veterans was reviewed in order to develop the criteria for site selection. Both the intent of the Act and eligibility criteria in the regulations were reviewed so as to design a survey instrument that would provide the necessary data on the veterans.

2. SDA's to be surveyed were selected based upon area veteran population and unemployment rate. Vietnam era veteran statistics were used since that population most accurately represents all the veterans groups targeted under JTPA and there is no current or accurate source of comparable data on unemployed, disabled or recently separated veterans. The number of surveys distributed to an area was a function of that area's Vietnam era veteran population relative to the state's total Vietnam era veteran population. All figures were computed based on a total of 4,000 surveys to be completed.

   Sixteen rural counties with a relatively small Vietnam era veteran population were excluded from the survey. However, four representative counties were selected - Madera, Nevada, Tehama, and Tuolumne.

   A CEDD field memorandum explaining the purpose of the survey and requesting the cooperation of the field offices was sent to local office managers at all selected sites.

3. After orientation was conducted for DVOP's and LVER's a preliminary survey was distributed to 13 urban, suburban and rural sites to test the survey instrument, the interview process, comprehension of the survey instructions by the interviewers, the return rate and identify any problems in the working relationship with CEDD or with the response from the veterans.

4. Telephone and onsite follow-up with the interviewers was conducted to provide clarity where needed, assistance with the resolution of problems and to determine the need for further modifications.

5. As the preliminary surveys were returned from the test sites, they were edited for errors and omissions. A complete review of the survey process was performed, focusing on input from the interviewers and the responses of veterans in order to make appropriate modifications to the survey or to the method of implementation. At this time the final survey instrument was prepared.

6. Orientation sessions were conducted for DVOP's and LVER's at different locations around the state. The sessions consisted of an overview of veterans employment issues and programs, a review of JTPA Title 4C, and a thorough item-by-item review of the survey instrument concluding with a question and answer period. All DVOP's and LVER's were given a packet or packets containing 20 surveys, each to be completed

over a three week period and returned to CCE. The number of packets were distributed per the site selection criteria.

7. Ongoing follow-up, both by telephone and onsite, continued in order to facilitate an accurate and timely completion of surveys, resolve any problems and train new interviewers.

8. Non-CEDD sites were identified, such as County Veteran Service Offices (CVSO) and community-based veterans service organizations that were interested in assisting with the survey. Orientation was provided by mail, telephone and as part of a CVSO conference workshop.

9. Surveys were distributed by mail or in person and orientation provided to those sites not participating in an orientation workshop. Telephone contact followed to provide further explanation and technical assistance.

10. The return rate was monitored and when justified, time lines were extended in an attempt to obtain the maximum rate of return.

11. As the surveys were returned, they were edited for errors and omissions and assigned a tracking number. Incorrect surveys were discarded and replacements were mailed back to the site of completion along with reasons for rejection.

12. After editing, all survey data was entered into the computer. The information was compiled into a data

base from which abstracts were generated. The abstracts formed the basis of our analysis.

Glossary

Throughout this report we will refer to various subgroups of the veteran population and use terms which may be unfamiliar to those individuals not working in the veterans employment related field. These subgroups and terms and the manner in which we defined them are explained below:

Vietnam Era Veterans (VEV's): Those men and women who served on active duty in the United State Armed Forces during the Vietnam era - that is, between August 5, 1964 and May 7, 1975.

Vietnam Veterans: Those Vietnam Era Veterans who served in the Vietnam theater (Vietnam, Laos, Cambodia, Thailand or the South China Sea) while on active duty with the United States Armed Forces during the Vietnam era.

Disabled Veterans: Those veterans who are entitled to compensation under laws administered by the Veterans Administration, or an individual who was discharged or released from active duty because of a service-connected disability.

Recently Separated Veterans: Those veterans separated from military service within the past twelve months.

Underemployed: Specifically refers to those individuals employed less than forty hours per week. However, we realize that a person can generally be considered underemployed, regardless of the number of hours worked

in a week, if his/her position is not commensurate with his/her experience, education or skill level, or if compensation is insufficient to meet basic needs or reasonable obligations. For example, an individual with a Masters degree in administration, six years experience in the health services, four dependents and can only "make ends meet" working as a school bus driver by day and restaurant manager by night could be considered underemployed.

Race (Question 8): INA means "information not available".

Number of Weeks Unemployed (Question 13): This question was asked not only to determine comparative lengths of unemployment, but to also determine whether veterans surveyed would qualify for other programs having length of unemployment as an eligibility criteria.

Family Income (Prior Year Taxable - Question 17): Eligibility for JTPA and other programs for the disadvantaged are based on income guidelines. This question allows us to determine which of those surveyed may or may not be eligible for JTPA while allowing for income comparisons.

VA On-the-Job Training (Question 19b): Inquired about on-the-job training completed through September 30, 1983, and excludes those that may be presently enrolled in the Emergency Veterans Jobs Training Act of 1983 (EVJTA).

MOS (Question 24): Military occupational specialty.

Chapter II

Survey Overview

Over 7,000 surveys were distributed to approximately 200 sites throughout the state. They were distributed primarily to local job service offices using DVOP's and LVER's as interviewers. Of the 4,200 surveys returned, 4,036 were completed. They were reviewed for accuracy and entered into the data base for analysis.

Only those unemployed or underemployed Vietnam era, disabled and recently separated veterans were surveyed. They were selected at random from walk-ins or currently scheduled caseloads of the participating agencies. The surveys were completed between September of 1983 and April of 1984.

The following is an overview of the 4,036 surveys which comprise the data base. The overview is presented in the order the survey questions were asked.

1. Profile of Veterans Surveyed.

Of the 4,036 individuals surveyed, 3,332 (82%) are Vietnam era veterans (VEV's) with 1,765 (53%) having served in Vietnam - 1,557 (47%) had no service in Vietnam. This would seem to indicate that most of those veterans with employment problems are of the Vietnam era, with the majority having served in Vietnam; 693 (17%) have service-connected disabilities of which 373 (54%) served in Vietnam; 674 (17%) are recently separated from the service of which 76 (11%)

served in Vietnam and 44 (7%) have service-connected disabilities.

2. Average Age

The average age of the veterans surveyed is as follows:

All veterans	34 years
Vietnam era	35 years
Vietnam vets	36 1/2 years
Disabled vets	38 years
Recently separated vets	27 years

The average age for disabled veterans is slightly higher, as that group includes veterans from earlier wars. Additionally, most disabled veterans served during that period of the war when combat was heaviest.

3. Sex

95% of the population surveyed is male and 5% female. Twenty-eight (1 1/2%) women are Vietnam veterans and 66 (10%) recently separated. This difference is primarily due to two factors: a) a two percent cap on female enlistment prior to 1967, b) the military did not move to actively recruit women until the post-Vietnam era.

4. Served in Vietnam

1,765 (44%) of all veterans, over half (53%) of the Vietnam era veterans and 373 (54%) of the service-connected disabled veterans served in Vietnam.

As of September 1983, there are 8,238,000 Vietnam era

veterans living (nationally) - of that figure, 2,661,000 (32%) served in Vietnam while 5,577,000 (68%) saw no service in Vietnam*.

5. Service-Connected Disability

17% of all veterans, 21% of Vietnam veterans, 16% of all VEV's and 7% of recently separated veterans have service-connected disabilities.

When compared to the national figure of 7% of VEV's receiving compensation for service-connected disabilities, the relative percentage of unemployed and underemployed disabled VEV's surveyed is two and a quarter times greater.

6. Marital Status

Forty eight percent of all veterans are married with the the highest percentage (52%) having served in Vietnam. Vietnam vets also have the highest rate of separated/ divorced at 27% and the lowest single rate (20%).

7. Average Family Size

The average family size for all categories of veterans is generally the same (around 2.6) with Vietnam veterans being slightly higher (2.8).

* "Data on Vietnam Era Veterans", September, 1983, Veterans Administration, Office of Information Management and Statistics.

The family size becomes more significant when considered with income levels in determining eligibility for JTPA.

8. Race

Of the total population surveyed 60% are white, 22% black, 14% Hispanic, 2% Native American, 1% Asian or Pacific Islanders, and 1% Filipino. There is little statistical difference in the ethnic percentages between the various categories of veterans except that the representation of blacks and Hispanics is highest among recently separated and lowest among disabled.

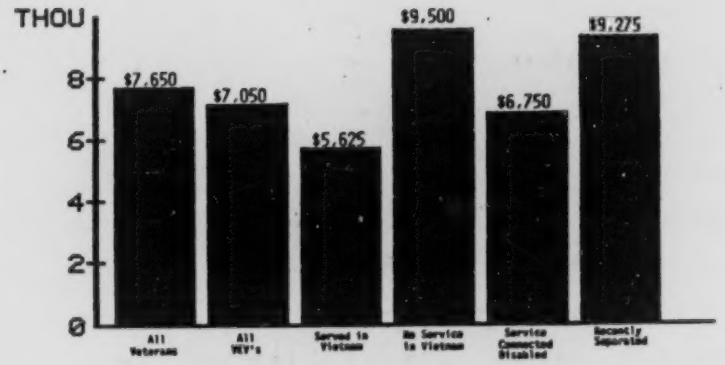
The higher rate in the recently separated may be explained by the increased recruitment effort by the military after the Vietnam era and the lack of employment opportunities for out-of-high school youth in a recessionary economy.

9. Median Household Income (Prior Year Taxable)

Median Household Income figures are as follows:

All veterans	$7,650
All VEV's	$7,050
Vietnam veterans	$5,625
VEV's not serving in Vietnam	$9,500
Disabled veterans	$6,750
Recently separated veterans	$9,275

These figures represent all taxable family income (excluding federal transfer payments) for the previous tax year.



MEDIAN HOUSEHOLD INCOME
(PRIOR YEAR/TAXABLE)

This data presents one of the most significant findings of the survey. The difference in annual income between Vietnam veterans and VEV's with no service in Vietnam is $3,875 or an astonishing 37%. The latest National VA statistics (1982) indicate the median household income for all VEV's is $28,660. The data from the unemployed/underemployed VEV's surveyed in California shows that the median household income is $7,050. This, with a significantly lower figure for for Vietnam veterans ($5,625) clearly indicates there are other factors affecting the ability of Vietnam veterans to attain meaningful career employment at a salary or wage comparable to his/her peers.

The taxable income of disabled veterans is the second lowest of all veterans surveyed. Disabled vets have unique problems with employability that have to be considered, such

as the amount of disability compensation received, physical barriers, low self-esteem and the availability of special efforts to access career opportunities.

The issue of income is certainly important to consider when looking at training programs, such as JTPA, since eligibility is based on family size and income. If we were to look at the income guidelines for California, we would see that the majority of all Vietnam era, disabled, and recently separated veterans, although close to poverty levels, may not be eligible for JTPA. However, those VEV's and disabled veterans with three or more dependents could be eligible. Recently separated veterans with higher incomes and fewer dependents, would not, for the most part, be eligible for JTPA.

A comparison of family income with the average statewide income criteria used in determining eligibility for JTPA provides an approximation of the population that might or might not be eligible for training under JTPA.

Although many would be eligible by income and family size criteria, especially when considering the average length of unemployment, other factors indicated by the survey may affect the ability of eligible veterans to take advantage of JTPA training programs (i.e., the need for maintenance income and other supportive services while in training).

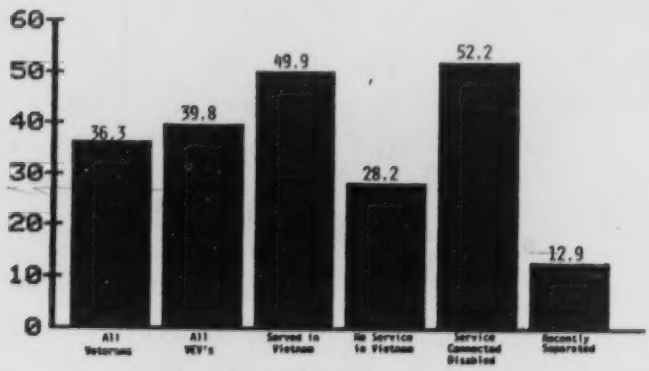
10. Unemployed and Underemployed Veterans

The survey consists of only those veterans who are unemployed or underemployed. Of the total, 91% are unemployed and 9% underemployed. The relative proportion of unemployed to underemployed shifted only slightly among all categories.

For the underemployed, among all vets surveyed, the average number of hours worked per week is 27.75 with little variance between the subcategories.

The number of weeks unemployed is as followed:

All veterans	36 weeks
All VEV's	40 weeks
Vietnam veterans	50 weeks
VEV's not serving in Vietnam	28 weeks
Disabled veterans	52 weeks
Recently separated veterans	13 weeks



AVERAGE WEEKS UNEMPLOYED

These figures would seem to indicate that Vietnam veterans experience more difficulty finding work than their peers.

At the time of the survey, the maximum period of time an individual could receive Unemployment Insurance (UI) benefits was thirty-nine weeks (which includes a thirteen week extension tied to the unemployment rate). On the average, 28% of the veterans surveyed had received UI benefits over the past year (the time period inquired about in the survey) while 72% had received none. Given that the majority of the VEV's had been unemployed for an average of 40 weeks, they more than likely had exhausted their UI benefits. If the time period inquired about had been the past year and a half or two years, it can be assumed the number having received UI benefits would be higher.

Disabled veterans surveyed are unemployed for an average of 52 weeks. This is the longest period for any of the categories, but requires consideration of other factors unique to the disabled, such as the nature and severity of the disability and the amount of compensation received.

11. Average Education

The majority of all veterans surveyed (90%) have a high school diploma or equivalent with the highest percentage among the recently separated (94%). Of all veterans

surveyed 15% have a college degree (AA, AS or above) with the highest percentage among disabled veterans (19%).

Sixty percent of those using the GI bill while attending an institution of higher learning did not receive a college degree.

12. Veterans Who Have Received Public Assistance

The veterans were asked whether in the past year they had received aid to families with dependent children (AFDC), food stamps, supplemental social security income (SSI), general assistance (GA) or unemployment insurance in order to ascertain what percentage had access to some means of public assistance while unemployed. The data shows that although the percentages do not appear high, they are somewhat significant. AFDC recipients make up about 10% of those surveyed and food stamp receipients about 18% (20% for VEV's). A smaller number had received GA or SSI, 5% and 2% respectively. A substantial amount of public monies are used to pay basic support needs of veterans, monies not related to training or employability services, but necessary for those who have been unemployed for extended periods of time and have exhausted their UI benefits.

Unemployment insurance benefits, the most commonly known source of income for the unemployed, had been received by about 28% of those surveyed. This would seem to be a

modest figure, since for most people, this is the only and most readily available source of income while unemployed.

13. Veterans Who Have Received Training or Educational Assistance

Of the total veterans surveyed, 39% have used their GI bill with a high of 49% among the disabled and a low of 3% among the recently separated. Forty-five percent of VRV's have used the GI bill.

The figures for direct training programs are much lower for all veterans with 3% having used VA/OJT, 4% VA/Voc. Rehab. and 8% CETA. Sixteen percent of the disabled veterans have used VA/Voc. Rehab.

14. Veterans Who Want Training To Upgrade Skills in Their Present Occupation

Almost three fourths of the veterans, (73%) want the opportunity to upgrade their primary occupational skills. These veterans indicated a desire to remain in their career fields if they could get training that would enhance advancement.

Close to 30% of the total group does not want training in their present occupation. These are veterans who wish to change careers or prefer immediate, fulltime employment.

15. Veterans With No Means of Support While in Training

Seventy-five percent of those surveyed stated they would have no means of support if enrolled in a training program. A lower percentage (66%) of disabled stated they would have no means of support. This is more than likely due to the fact that their disability compensation would assist in meeting their basic needs while in training.

16. Average Monthly Income Needed While in Training

Veterans were asked what minimum monthly salary was necessary to meet their needs while in training. The interviewers were instructed to ask for the most realistic figure, one necessary to cover just the basic necessities.

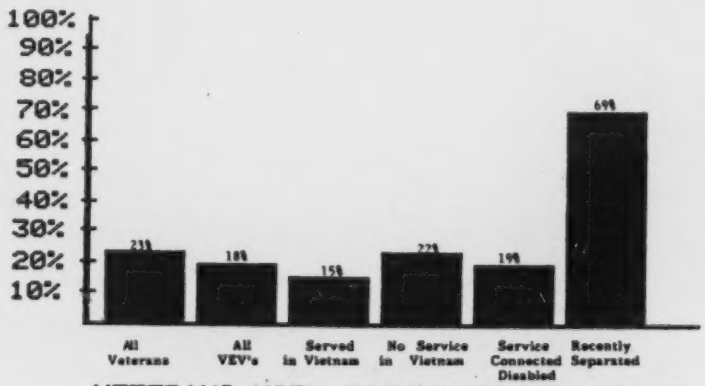
The average monthly income needed for all veterans surveyed is $833, for Vietnam era veterans the amount is slightly higher at $842.

This monthly income is understood to be the minimum amount necessary to allow veterans to sustain themselves while in a training program. The JTPA does not pay stipends, so it is questionable whether these veterans will be able to take advantage of the training programs available under the Act regardless of how much of an effort is made to recruit them or how tailored the programs are to their particular career objectives. This is further supported by the fact that the majority

stated they have no means of support while in training. It would appear that there is a need for stipends and/or supportive services for participants while in training.

17. Veterans Whose Present Occupation Relates to Military Occupation or Training

Veterans were asked to list their current occupation, primary military occupation and principal training received in the military. The responses were categorized by three digit codes from the Dictionary of Occupational Titles and compared for transferability. There is a 23% correlation between current and military occupation or training. Among VEV's it is 18%, Vietnam veterans 15% (the lowest of all categories) and recently separated veterans 69% (the highest of all categories).



VETERANS WITH OCCUPATION RELATING TO MILITARY OCCUPATION/TRAINING

Vietnam veterans, as with veterans of previous wars, served in combat or direct combat support roles for which there are few, if any, equivalent civilian occupations. As such, the correlation between their military training/occupation and civilian occupation is lowest. The high correlation between military and civilian occupations for the recently separated is due in part to the fact that they served during peacetime, in technical positions and have taken advantage of re-entry programs offered by the military and job service. Additionally, with recruitment down following the Vietnam war, the military made a concerted effort to attract recruits by offering training programs with a higher degree of transferability to civilian occupations.

Chapter III

Recommendations

1. Findings.

Vietnam veterans are unemployed on the average almost one year (50 weeks), 22 weeks longer than Vietnam era veterans and 31 weeks longer than the national average for all unemployed persons.

Conclusion

Many Vietnam veterans have experienced prolonged periods of unemployment and have not been able to pursue their career goals, nor have they benefited from employment services.

Recommendation

A. Special programs for Vietnam veterans need to be developed which should include pre-employment workshops that assist them to evaluate various occcupations, assess their skills, plan their careers and identify supportive service needs.

B. Unemployed Vietnam veterans should be assessed on an individual basis by DVOP's and LVER's, profiling not only their job skills, but other life support needs. Additionally, they should develop individual employability plans.

C. Supportive services resources need to be identified

or developed and where appropriate, veterans should be referred for training, counseling, transportation, housing or any other assistance that may be needed.

D. Develop training programs tailored to the specific needs of Vietnam veterans who may or may not be job ready, using a combination of funding sources that would provide for job readiness workshops, classroom training in a chosen career field, on-the-job training opportunities and direct placement with follow-up.

LVER's and DVOP's should work closely with veterans from intake and assessment through training, placement and followup. In addition they should maintain contact with employers assisting in resolving conflicts and ensuring the completion of the training program.

Congress should extend the Emergency Veteran's Jobs Training Act (EVJTA) for an additional three years (through 1988). This program is designed for the VEV requiring training, but is scheduled to terminate before a majority of veterans ideally suited for EVJTA job openings will be ready to participate.

2. Findings

Vietnam veterans have a taxable family income 40% lower

than Vietnam era veterans.

Conclusion

This is one of the major findings of the survey and confirms that many Vietnam veterans have been unable to earn a salary comparable to their peers and are continuing to experience impediments to career advancement.

Recommendation

Conduct a more in-depth study of Vietnam veterans, taking a look at their particular circumstances in order to understand their inability to attain comparable earnings.

3. Findings

Taxable family income for Vietnam era veterans, and recently separated veterans is, when considered with the average family size, slightly above the eligibility criteria for JTPA.

Conclusion

Many veterans targeted for training under JTPA will not meet the income eligibility criteria.

Recommendation

Further study should be undertaken to determine what percentage of veterans targeted for JTPA training would

not be able to participate due to the income eligibility criteria. Additionally, Congress should legislate exclusive programs for veterans which finally provide training based on a demonstrated need for the training rather than general eligibility requirements.

4. Findings

Most veterans surveyed have no source of income while in training and need a minimum of $833 a month to meet basic living expenses.

Conclusion

Most veterans will not be able to participate in training that does not provide a subsistence allowance.

Recommendation

Other sources of support should be identified for veterans in JPTA training and/or Congress should legislate changes in the Act to provide realistic stipends for veterans. Most veterans should be referred to Emergency Veterans Job Training Act job openings instead of classroom training under JTPA (assuming they are job ready).

5. Findings

Those veterans with disability ratings are a significant portion of all veterans surveyed. Seventeen percent of all veterans and 21% of Vietnam veterans are disabled.

Disabled veterans are, on the average, out of work for 52 weeks. This is the longest period for any of the groups surveyed and they are also older at 38 years of age.

Conclusion

Disabled veterans, particularly those who served in Vietnam, carry additional burdens that impede their ability to obtain meaningful employment.

Recommendation

A. Further study should be undertaken to determine the underlying factors that specifically contribute to disabled veterans having more severe problems obtaining meaningful employment. Is it a function of their degree of disability, self image, or how they are perceived by potential employers? Does the amount of monthly disability compensation affect motivation to find career employment? A further study should include in-depth interviews of disabled veterans grouped by disability ratings, and/or severity of disability (i.e., single or double amputee). Questions about trainability, motivation and self-perception might then be answered and a plan to bring them into the work force developed.

Another approach would be to train employment counselors (DVOP's, LVER's) to assess the problems

of individual disabled veterans so as to provide a broader range of supportive services that meet their multiple needs, enhance the DVOP's and LVER's ability to "market" veterans to employers and increase the overall employability of disabled veterans through counseling workshops.

B. Increase efforts to utilize and expand existing programs, such as the Disabled American Veterans Employment Services (DAVES) and Centralized Applicant Referral Services (CARS). These programs refer qualified disabled veterans to federal employment openings.

C. Develop peer support groups among disabled veterans, building teams that can provide mutual support and shared resources while in training and/or seeking employment.

6. Finding

Three quarters of those surveyed indicated a desire to participate in programs that would upgrade their skills, while over 90% have not been involved in any one of the three major training opportunities for veterans (i.e. VA/OJT, VA/Voc. Rehab. or CETA).

Conclusion

Current or previous training programs are not appropriate for all veterans, nor are they reaching a

majority of the unemployed and underemployed.

Recommendation

Existing programs, particularly JTPA and the new Emergency Veterans Jobs Training Act should be examined early on to ensure they don't encounter the pitfalls of prior programs (i.e., low particpation rates, high dropout rates, lack of an agressive marketing campaign, not being appropriate and/or comprehensive enough for the population they are mandated to serve or eligibility criteria being so restrictive that veterans genuinely in need of training cannot take advantage of the programs).

20. Do you want training which would upgrade skills in your usual occupation? (enter 1 for yes 2 for (no)) 20. 2

21. Do you have a means of support while enrolled in a training program? (enter 1 for yes 2 for (no)) 21. 2

22. What minimum monthly salary is necessary to meet your needs while in training? (enter realistic and necessary figure) (ACTUAL) 22.$ 600

WRITE OUT RESPONSES TO QUESTIONS 23 THROUGH 27. THEN CODE RESPONSES IN THE ANSWER COLUMN USING THE DICTIONARY OF OCCUPATION TITLES, THREE DIGIT CODE. **********

23. What is your primary occupation? (whether or not presently employed) SALES., AUTO 23. 273

24. What was your primary occupation in the military? (not necessarily M.O.S.) INFANTRYMAN 24. 378

25. What principal training did you receive in the military? (not necessarily your primary occupation) COOK SCHOOL 25. 315

26. What principal training have you received since separation from the military? (list only three) REALESTATE SALES - ANTHONY SCHOOL 26a. 250 b. c.

27. For what long term career oriented occupation would you prefer training? COMPUTER PROGRAMMER 27. 007

Veterans Comments (optional)

VETERANS SURVEY PROJECT
FINAL SURVEY RESULTS
SEPTEMBER 1983-APRIL 1984

	ALL VETERANS SURVEYED	ALL VIETNAM ERA VETERANS	SERVED IN VIETNAM	NO VIETNAM SERVICE	DISABLED VETERANS	RECENTLY SEPARATED VETERANS
		:-------VIETNAM ERA VETERANS-------:				
UNEMPLOYED VETERANS	91.11%	92.17%	92.07%	92.29%	90.33%	90.06%
AVERAGE WKS UNEMPLOYED	36.34	39.80	49.97	28.22	52.21	12.93
AVERAGE EDUCATION # YEARS	12.65	12.74	12.80	12.68	12.93	12.20
H.S. DIPLOMA/EQUIVALENT	89.67%	89.74%	90.71%	88.50%	90.62%	91.99%
COLLEGE DEGREE	15.46%	16.92%	18.07%	15.61%	19.05%	7.72%
VETERANS WHO HAVE USED:						
AFDC	9.59%	10.63%	9.69%	11.62%	8.80%	3.12%
FOOD STAMPS	18.48%	20.35%	19.49%	21.58%	17.46%	6.68%
UNEMPLOYMENT INSURANCE	27.65%	28.93%	27.48%	29.67%	22.66%	23.00%
SSI	2.35%	2.23%	2.38%	2.57%	3.46%	1.78%
GENERAL ASSISTANCE	5.00%	5.39%	5.21%	5.59%	4.18%	2.37%
VETERANS WHO HAVE USED:						
GI BILL	39.47%	45.24%	45.04%	45.47%	48.77%	9.94%
VA/OJT	3.22%	3.67%	4.08%	3.21%	5.48%	0.00%
VA/REHAB	3.57%	3.85%	5.16%	2.57%	16.02%	0.30%
CETA	8.35%	9.06%	8.50%	9.70%	8.95%	4.01%
VETERANS WHO WANT UPGRADE IN PRESENT OCCUPATION	72.82%	71.49%	69.80%	73.35%	68.54%	80.86%
VETERANS WITH NO MEANS OF SUPPORT WHILE IN TRAINING	75.37%	75.20%	73.88%	76.62%	65.80%	74.78%
AVERAGE MONTHLY INCOME NEEDED WHILE IN TRAINING	$833	$842	$844	$839	$885	$781
VETERANS WHOSE PRESENT OCCUPATION RELATES TO MILITARY OCCUPATION OR TRAINING	23.07%	18.45%	14.90%	22.48%	19.05%	69.29%

VETERANS SURVEY PROJECT
FINAL SURVEY RESULTS
SEPTEMBER 1983-APRIL 1984
RAW DATA

	ALL VETERANS SURVEYED	ALL VIETNAM ERA VETERANS	SERVED IN VIETNAM	NO VIETNAM SERVICE	DISABLED VETERANS	RECENTLY SEPARATED VETERANS
		VIETNAM ERA VETERANS				
TOTAL IN CATEGORY	4036	3322	1765	1557	693	674
AVERAGE AGE	34.07	35.19	36.52	33.68	38.08	26.64
SEX:						
MALE	3850	3200	1737	1466	662	608
FEMALE	186	122	28	91	31	66
SERVED IN VIETNAM	1765	1765	1765	0	373	76
SERVICE CONNECTED DISABLED	693	544	373	172	693	44
MARITAL STATUS:						
MARRIED	1929	1661	911	750	348	277
SEPARATED OR DIVORCED	967	863	484	379	176	82
SINGLE	1119	781	358	423	162	313
WIDOWED	21	17	12	5	7	2
AVERAGE FAMILY SIZE	2.61	2.72	2.79	2.66	2.60	2.19
RACE:						
WHITE/NON-HISPANIC	2402	1990	1074	916	423	373
BLACK/NON-HISPANIC	878	716	353	363	144	156
HISPANIC	555	453	238	215	82	95
NATIVE AMERICAN	90	79	48	31	17	11
ASIAN/PACIFIC ISLANDER	51	40	21	19	14	11
FILIPINO	56	40	27	13	12	28
INA	4	4	4	0	1	0
	4036	3322				
MEDIAN HOUSEHOLD INCOME (PRIOR YEAR TAXABLE)	$7650	$7050	$5625	$9500	$6750	$9275
UNDEREMPLOYED VETERANS	359	260	140	120	67	67
AVERAGE HOURS PER WEEK	27.75	28.18	28.76	27.41	28.53	30.34

Office of General Counsel Washington D.C. 20420

Veterans Administration

1985 OCT 11 P.M. 11:33

OCT 10 1985

In Reply Refer To:
021

Honorable Frank H. Murkowski
Chairman, Committee on
Veterans' Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

This is in reply to your questions on the Emergency Veterans' Job Training Act of 1983, following the hearing of September 12, 1985.

Please find enclosed our replies to the questions.

I appreciate the opportunity to respond.

Sincerely yours,

DONALD L. IVERS
General Counsel

Enclosures

Q.1: Does the VA support or oppose continuing the Emergency Veterans' Job Training Act (EVJTA)?

A: Due to the considerable improvement in economic conditions since the enactment of the EVJTA and the dramatic reduction in the unemployment rate for Vietnam-era veterans, we believe the emergency situation which prompted enactment of the EVJTA no longer exists. We therefore oppose any extension of the program.

Q.2: What is VA's recommendation for utilizing funds appropriated for EVJTA but uncommitted as of September 1, 1985?

A: The Congress passed, and the President signed, S.1671 on September 30, 1985, to extend the EVJTA program from September 1, 1985 to July 1, 1986. The funds appropriated for EVJTA will be utilized for the extension.

Q.3: Does VA support a supplemental appropriation to make more funds available for a continued EVJTA?

A: No, for the reasons stated in response to question 1.

Q.4: If EVJTA is extended does VA have a recommendation for establishing priorities for veterans to be served with the funds remaining? For example, should an extended EVJTA be focused on veterans who served in Vietnam? Should it be limited to combat veterans?

A: The VA has historically granted benefits without regard to location of service or branch of service. The military departments assign individuals in accordance with their needs. It is not the policy of the VA to make judgments on the value of military assignments.

U.S. Department of Labor

Assistant Secretary for
Veterans' Employment and Training
Washington, D.C. 20210

SEP 24 1985

The Honorable Alan Cranston
United States Senate
Washington, D.C. 20510

Dear Senator Cranston:

Thank you for the opportunity to respond to written questions provided to us at the hearing of September 12 regarding veterans' employment issues. Our responses are limited to those questions dealing with Department of Labor responsibilities.

Following are the Questions and our Responses:

QUESTION 2:

The high drop-out rate among those who were placed in training must certainly be a matter of serious concern. It has been suggested that this can be attributed to several factors.

A. What are your thoughts on the reason for the high drop-out rate?

RESPONSE:

We certainly would like to see lower drop-out rates. However, I believe a closer look at the data is warranted. Of those that dropped out, 17% left for a better job and 32% left because the training experience did not meet their expectations. These data seem to imply that at least 49% of those that dropped out of the training program did so for "positive" reasons. I would speculate that the EVJTA program is not uncommon to other training programs with regard to drop-out rates. The simple fact that EVJTA programs run considerably longer than Job Training Partnership programs provides a much longer opportunity for "dropping-Out" for whatever reasons.

B. To the extent that this rate reflects veterans who are not job-ready, what special efforts have you made generally to work with veterans with special problems, and specifically, to provide V.A. vocational rehabilitation services to those with service-connected disabilities?

RESPONSE:

Standard practices of Disabled Veterans Outreach Program staff and Local Veterans' Employment Representatives call for maximum services, with priority given to disabled and Vietnam-era veterans. In this regard, special emphasis is placed on identifying veterans with special problems and ensuring that appropriate services are provided. Examples of such services include counseling and testing, and referral to supportive services. Special linkages have been established with VA vocational and rehabilitation programs.

C. Once a veteran is placed in a job, does either the V.A. or the Labor Department follow up with regular contact with the veteran so that problems -- if they do exist -- might be minimized? (If not, why not?)

RESPONSE:

Regarding follow-up with the veteran, I am unable to state empirically to what extent this occurs. However, this was one of the activities stressed during our EVJTA implementation training.

D. Prior to an employer taking action to terminate a veteran from a position during the training period, is notice given to either the V.A. or the Labor Department to see if some sort of remedial action might be available to avoid the termination? (If not, why not?)

RESPONSE:

There were no procedures established for the Department of Labor to be notified by the veteran or the employer of a proposed termination.

QUESTION 3:

The fact that nearly 67 percent of the employers who hired veterans under this program indicated they would have hired the veteran even without the availability of training-cost reimbursement raises a serious question about the continuing need for this wage-subsidy type program. The further indication that, without the program, these employers might not have successfully matched with veteran-trainees raises serious concerns about the

effectiveness and efficiency with which the Department of Labor, particularly the Veterans' Employment Service and the Disabled Veterans Outreach Program, carries out its on-going responsibilities for assisting veterans.

A. Don, this strongly suggests to me that if all components of the Job Service offices were more aggressive about doing their job and working with both veterans and employers, much more could be done to help jobless veterans. Would you agree?

RESPONSE:

It is always of concern to me that Job Service staff perform effectively. However, the statement that employers would have hired the veteran "even without the availability of the training-cost reimbursement" is simply not true. Additional information is necessary to put the question and its assumption in the proper perspective.

In the Centaur study of EVJTA the following statement is made:

> "The majority of employers cited the availability of training cost reimbursement as the most important reason they applied for approval, and a majority of employers indicated that they would not have applied for approval if reimbursement of training costs had not been available. This response was made in conjunction with other responses regarding initial involvement with the program in general and with employer approval procedures in particular."

Also, according to the Centaur study:

"Based upon their experience with specific veterans hired under EVJTA, most participating employers reported that they would have hired those veterans even if no training-cost reimbursement had been available.

This response was made in conjunction with other responses about specific veterans hired under EVJTA, and reflects satisfaction with the veterans employed. The response does not address the likelihood that an employer would have identified and hired the veterans in the absence of the program."

B. What steps is the Department of Labor taking to make certain that these outreach and placement responsibilities are being carried out effectively apart from E.V.J.T.A.?

RESPONSE:

We are continually involved in a variety of measures to ensure that veterans' outreach and placement responsibilities are carried out. From the National level we enter into specific grant agreements with the various States which require those activities to be performed by the Disabled Veterans' Outreach Program and Local Veterans' Employment Representative staff. Our field staff of Veterans' Employment and Training Service through our official Annual Work Plan and Job Performance Standards are charged with direct responsibility for monitoring the provision of these services by the Job Service and other employment and training programs. Additionally, our field staff are involved in outreach and placement activities.

QUESTION 6:

The Paralyzed Veterans of America in its prepared statement notes a working draft entitled Employment and Disabled Veterans, "A Blueprint for Action", which has been prepared by the Committee on Disabled Veterans of the President's Committee on Employment of the Handicapped. The PVA cites the study's finding of a "lack of coordination and communication between government agencies providing services to veterans". In addition, concerns were expressed about inadequate staff and training and program dilution.

I would appreciate receiving from both the V.A. and the Labor Department for the record your comments and thoughts on the concerns expressed and findings contained in this draft report.

RESPONSE:

Comments on the Final "Forum" Report prepared by the President's Committee on Employment of the Handicapped have been limited to recommendations applicable to the Department of Labor.

Recommendations:

1) ...the consolidation or redesign of all special employment programs available to veterans.

2) ...with or without a consolidated program, the need remains to increase staffing, standardize training and provide better controls over the use of veteran placement service personnel.

3) ...the formation of a "Federal Veterans' Coordinating Committee."

4) ...development of State and local service directories.

5) ...better pre-discharge briefings from the military services.

Comments: Generally, we agree that much more is needed and can be done. We've already started working on several of the recommendations.

We are developing a Technical Assistance Guide for our Disabled Veterans' Outreach Program and Local Veterans' Employment Representative staff. I expect that VETS will issue this in about 90 days.

The recommendation to develop State and local Service directories is a good one. We will pursue this idea as quickly as possible.

Efforts are well under way to implement the recommendation on pre-discharge briefings. As you may know, we have been developing a complete employment briefings program for separating military personnel in cooperation with the North Carolina Job Service and the Department of Defense. We should have a draft package sometime in December.

Regarding increased staffing, we are proceeding with a supplemental budget request for FY 1986, requesting sufficient resources to increase our DVOP and LVER staffing to required levels. The request is for an increase of $8.5 million for a total of $120 million. This will provide sufficient dollars to meet our legal and regulatory mandates.

The only action that is not warranted is the one calling for the formation of a "Federal Veterans' Coordinating Committee". Our existing Secretary's Committee on Veterans' Employment already serves the intended purpose.

QUESTION - 7:

As you know, in addition to proposals to extend the Job Training Program, there are proposals to modify the eligibility criteria for veterans by reducing the period of unemployment required from 15 out of 20 to 5 out of 20 weeks. One concern I have with such proposals is articulated very well by the P.V.A. -- that is, program dilution. Specifically, the result might be that efforts would not be made to place and hire already-certified, long-term unemployed veterans, but, rather, the remaining funds would be expended on newly-eligible, newly-unemployed veterans who would be more easily placed, but much less in need of this extraordinary assistance.

A. To what extent do you share this concern?

RESPONSE:

If EVJTA was extended with revised eligibility criteria, the effect would be that of initiating a new program. It is difficult to predict which veterans would become program participants, but many of the newly-eligible veterans would certainly be matched with certified employers. Therefore, it becomes the responsibility of Congress to determine which group of veterans should be targeted and treat the eligibility criteria accordingly.

B. To what extent do you believe that the result I outlined would occur if eligibility criteria were changed but the opportunity to make new application for the program were re-opened?

RESPONSE:

If there was no change in eligibility, but the period of application was extended, the remaining funds would once again be targeted towards the same group of veterans as before. Thus, there would be less chance of "program dilution", as defined by the Paralyzed Veterans of America.

QUESTION 8:

Don, the American Legion, in its prepared testimony, discusses at length, the Department' lack of success in fully implementing the requirements of Section 2012 of Title 38 relating to the

responsibilities of Federal contractors to take affirmative action to employ Vietnam-era and disabled veterans. I would appreciate your careful review of this portion of the Legion's testimony and your giving us your response for the record and particularly indications as well whether any of the proposals under consideration to revise Executive Order 11246 RE: O.F.C.C.P. are intended to have any effect on the 2012 program.

RESPONSE:

In regard to the testimony of the American Legion concerning Veterans' Affirmative Action under Title 38, United States Code, Section 2012, we have several observations. First, the American Legion cites a variety of examples of the failure of the Office of Federal Contract Compliance Programs (OFCCP) to fulfill its responsibilities, attributed to statements of our own Veterans' Employment and Training Service (VETS) field staff. Only recently have we been able to obtain the identification from The American Legion of those VETS staff who provided the allegations. We are currently trying to verify the information and will take corrective actions as appropriate.

The statement that State Job Service offices no longer receive Dun and Bradstreet listings of Federal contractors has been true since about March 1981. Instead, we now have two methods of providing State Job Services with information identifying Federal contractors; the Alabama project and microfiches supplied by the Federal Procurement Data Center (FPDC). Both of those systems are mentioned in the testimony of The American Legion.

Further, the testimony states that "there is no way of knowing what the status is of Section 2012 programs." It is difficult to determine what that statement means. All data and information regarding veterans' affirmative action activities of the Department of Labor under Section 2012 has always been available to The American Legion and the public in general.

In regard to the Memorandum of Understanding between my office and the Office of Federal Contract Compliance Programs (OFCCP). I believe this an effective means to increase coordination. My office and OFCCP continuously work together to keep each other informed regarding matters of mutual interest. In fact, OFCCP participated very effectively in our recent National Training Conference, September 16 - 20, 1985, by providing two staff as trainers. Also, our staff is working closely with OFCCP in development of an OFCCP field directive to fully implement the Memorandum of Understanding.

Finally, there have been no decisions made by the Secretary of Labor regarding proposed revisions to Executive Order No. 11246. Therefore, we cannot determine how veterans' affirmative action under Section 2012 may be affected.

Thank you again for this opportunity to present our views on these important issues.

Sincerely,

Donald E. Shasteen

DONALD E. SHASTEEN

DAV

Motto: "If I cannot speak good of my comrade, I will not speak ill of him."

DISABLED AMERICAN VETERANS

NATIONAL SERVICE and LEGISLATIVE HEADQUARTERS
807 MAINE AVENUE, S.W.
WASHINGTON, D.C. 20024
(202) 554-3501

September 24, 1985

Honorable Alan Cranston
Senate Veterans Affairs Committee
414 Senate Russell Building
Washington, DC 20510

Dear Senator Cranston:

On behalf of the Disabled American Veterans, I would like to thank you for allowing us the opportunity to respond to some questions posed during the Senate Veterans Affairs Committee's September 12, 1985 hearing on the current status of Employment and Training Programs for Disabled and Vietnam Era Veterans.

We have had an opportunity to review the draft report of the President's Committee on Employment of the Handicapped mentioned during the hearing. Frankly, we are not surprised at the finding that indicates there exists " a lack of coordination and communication between government agencies providing services to veterans." In our opinion, that problem has existed for quite some time and little if any relief appears to be in sight. As this report is in its final draft stages, we have not had an opportunity to review and assess all of the findings. It is our understanding that a report will be submitted to the appropriate congressional committees when it is finalized.

With respect to modifying the eligibility criteria to amend the unemployment period from 15 out of 20 weeks to 5 out of 20 weeks, we do not believe such a change is warranted. While certainly an individual who has been unemployed any length of time tends to suffer economic hardship as well as potential loss of self esteem, we believe the longer an individual is unemployed, the harder it becomes to obtain meaningful employment.

We are apprehensive about an amendment to the eligibility criteria which may encourage many employers as well as job service personnel to only refer the "easiest to place" veterans. While such a circumstance in of itself is not necessarily bad (since most employers are looking for the most qualified person), we believe that efforts to assist the "most difficult to employ" would be diminished. We believe that the existing authority established in the original authorizing legislation (Public Law 98-77) should be extended by a minimum of six months.

We believe that the Emergency Veterans Job Training Act (EVJTA) represents yet another program available to those who assist in the daily efforts to find meaningful employment and training opportunities for our nation's disabled and Vietnam Era Veterans. However, it is obvious from the relatively few veterans and employers enrolled in the program, EVJTA cannot be regarded as the employment panacea for all veterans. It should be pointed out that another program -- Targeted Jobs Tax Credit (TJTC) -- assisted approximately 29,000 eligible veterans to obtain meaningful employment.

As indicated earlier, perhaps the lack of coordination between government agencies is one of the greatest problems in administering employment and training programs. We believe that significant training needs to be provided to local VERs, DVOP personnel, veterans benefits counselors, vocational rehabilitation specialists and counselors, and others who are involved in the daily activity of assisting disabled and Vietnam Era Veterans to find meaningful employment. It is only after these individuals become very familiar with the benefits and the requirements of the numerous employment programs that they will be able to provide meaningful assistance.

There exists two programs at the present time which can address the issue of advising employers of their "moral and legal" responsibilities for providing employment opportunities for veterans. Both are relatively new and, in our opinion, have yet to reach their potential.

They are:

1) The Committee on Employer Support for Veterans Employment (CESVE) -- as you know this program was established by VA Administrator Harry Walters and is meant largely to be one of employer support fashioned after the existing National Committee on Employer Support for the National Guard and Reserve. This Committee can play an important function by being the "clearinghouse" between the federal government and private employers to provide needed information.

2) The Department of Labor recently established a program whereby the State and Assistant State Directors for Veterans' Employment and Training will receive, on a timely basis, federal contractor information (i.e.- current information on new contracts). These individuals, in turn, will contact employers to remind them of their responsibilities and offer the assistance of the local job service offices.

If these two programs are fully implemented they can go a long way toward addressing the employment needs of veterans.

Returning to EVJTA, let me state that we believe that the initial administration of the program has been perhaps the biggest stumbling block to its successful implementation. By saying this I mean to emphasize the length of time it took the Office of Management and Budget (OMB) to release the funds and authorize the respective application forms for veterans and employers.

Also, there appeared to be too little coordination and cooperation between the VA and Department of Labor , both in Washington, DC and, especially, at the local level. Paradoxically, now that the initial problems have been largely overcome and the program placed "on track," EVJTA is facing extinction. This must not be allowed to occur.

In closing, Senator Cranston, I do thank you for allowing us the opportunity to respond to your concerns. May I say that the DAV looks forward to your continued support of adequate and meaningful employment opportunities for our National's disabled and Vietnam Era Veterans.

Sincerely,

Ronald W. Drach

RONALD W. DRACH
National Employment Director

RWD:th

PARALYZED VETERANS
OF AMERICA
Chartered by the Congress
of the United States

SEP 23 RECD

September 19, 1985

The Honorable Alan Cranston
United States Senate
Senate Committee on Veterans' Affairs
SH-202 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Cranston:

Paralyzed Veterans of America appreciated the opportunity to appear before the Senate Committee on Veterans' Affairs, September 12, 1985, regarding the Emergency Veterans' Job Training Act (EVJTA).

We, too, share the same concerns in recognizing and addressing unemployment among Vietnam veterans, and, specifically, the issue of modifying the eligibility criteria within the EVJTA. PVA believes that by reducing the time period of unemployment, efforts would not be made to place and hire already certified, long-term unemployed veterans, and to create a new group of unemployed veterans and place this group.

Please find attached the answers to your questions supplied at the hearing, as well as copies of the working draft entitled, Employment and Disabled Veterans, "A Blueprint for Action," that was mentioned in our written testimony.

As always, PVA appreciates your genuine concern in addressing, with hopes of improving, VA programs that affect our Nation's veterans.

Sincerely yours,

Bob Moran

Bob Moran
Associate Legislative Director

Attachments

BM/ef/dc

801 Eighteenth Street, N.W., Washington, D.C. 20006 (202) USA-1300

QUESTION 1: The Paralyzed Veterans of America, in its prepared statement notes a working draft entitled, Employment And Disabled Veterans, "A Blueprint for Action," which has been prepared by the committee on disabled veterans of the President's Committee on Employment of the Handicapped. The P.V.A. cites the study's finding of a "Lack of Coordination and Communication Between Government Agencies Providing Services to Veterans." In addition, concerns were expressed about inadequate staff and training and program dilution.

QUESTION 1-A: [TO P.V.A.] Would you, Bob, please furnish a copy of this report for the hearing record and to me, as well as to each of the other veterans' organizations if they don't already have one?

ANSWER: Copies of the draft entitled, Employment and Disabled Veterans, "A Blueprint for Action," are attached for you and for the hearing record. Also, copies have been sent to each of the following veterans' organizations, (AL, VFW, DAV, VVA) as well as to Senator Kerry.

QUESTION 1-B: (not applicable)

QUESTION 2: As you know, in addition to proposals to extend the veterans' job program, there are proposals to modify the eligibility criteria for veterans by reducing the period of unemployment required from 15 out of 20 to 5 out of 20 weeks. One concern about such proposals is articulated very well by the P.V.A. -- that is program dilution. Specifically, the result might be that efforts would not be made to place and hire already-certified, long-term unemployed veterans, but rather, the remaining funds would be expended on newly-eligible, newly unemployed veterans who would be more easily placed, but much less in need of this extraordinary assistance.

QUESTION 2-A: To what extent do you share this concern? (The same, thank you)

QUESTION 2-B: To what extent do you believe that the result I outlined would occur if eligibility criteria were not changed but the opportunity to make new application for the program were re-opened?

ANSWER: Basically, the same effect would occur, I believe.

QUESTION 3: I believe we all share deep concerns about the continuing needs of veterans who are jobless, particularly those who have significant problems competing in the labor market and those who are not job ready.

QUESTION 3-A: Do you believe that EVJTA represents the best means of addressing the needs of these veterans?

ANSWER: No, the program was too employer-oriented. Even though EVJTA has been proclaimed a successful program, as its name implies, it was instituted for emergency purposes. From that aspect the EVJTA program must be viewed as a Band-Aid remedy for a more serious affliction.

EVJTA identified nearly 300,000 veterans as program eligible. The 28,000 veterans successfully placed in job training programs, therefore, represents less than a 10 percent placement rate. When considering the $150 million originally appropriated for EVJTA, about $9 million was channeled into a readjustment account and approximately $17.2 million still remains. This means the cost for successfully placing a veteran in EVJTA is about $4,400. The VA and the Department of Labor would probably have a better idea if this represents a cost-effective means of job placement.

The concerns PVA continues to have regarding EVJTA are - what will become of the more than 150,000 hard core unemployed veterans that were identified, but not placed? Has proper follow-up been given these individuals? Are they still unemployed, or have they found other full-time jobs?

QUESTION 3-B: What changes would you make in this program to make it more effective in meeting those needs?

ANSWER: Identify the job skills of those veterans not placed through the EVJTA program, prepare an employer profile of those certified to conduct training programs, and then implement a concentrated effort to match those remaining veterans to appropriate employers. If it is found that a large number of those yet unemployed veterans possess little, or better put, out-dated job skills, then vocational rehabilitation training opportunities should be considered for them. Especially, for those veterans with disabilities, the employers should be made aware of the Section 190 tax provisions of the IRS Code, which provides up to a $35,000 per year deduction for making privately-owned, publicly-used facilities accessible for the handicapped.

QUESTION 3-C: What other alternatives could you suggest as means of best addressing this problem?

ANSWER: The Long-term or hard core unemployed veteran is a problem that needs to be addressed by the VA. If these veterans have unique occupational problems or need specialized forms of training to assist them in obtaining a broader range of employment opportunities, then such assistance needs to be given. On the employer side of the equation, a more intensive search for targeted employers who could use these long-term unemployed veterans might prove beneficial. Also, since much of the nation's unemployment is of a regional nature and/or trade based, serious consideration may need to be given to transitional assistance, meaning a hard core unemployed veteran may need to be given a relocation allowance and/or additional job, specific type, training, similar to that which has been provided by EVJTA.

QUESTION 4: The D.A.V., on page 6 of their testimony, has noted the willingness expressed by several employers, including Major Fortune 500 Companies, to further participate in the Veterans' Job Training Program should it be extended. First, I would note that since it is certain that an extension of the period of time to enter training will be enacted shortly, these companies will have that opportunity, and I hope that all of you will impress upon them the continuing need to do so -- particularly, as it relates to their efforts to assist veterans who are truly hard core unemployed.

However, in the event that a further extension of basic eligibility for the program is not achieved, what do you believe can be done to impress on these and other employers the continuing needs of Vietnam veterans and the moral and legal responsibilities that they have, especially since most are federal contractors or subcontractors, to assist them in their employment situations?

ANSWER: One such solution that can be expanded and improved upon is the Federal Contractor Job Listing Program, which was discussed by Mr. Donald E. Shasteen, Assistant Secretary for Veterans' Affairs, Department of Labor. The VA in coordination with DOL, and other federal agencies should join together in a joint venture to actively pursue and impress on government contractors and other employers that they do have a moral and legal responsibility to assist veterans in their employment programs.

In addition, since most Major Fortune 500 Companies are federal contractors or subcontractors, Section 2012 of Title 38, U.S.C., which requires federal contractors to take affirmative action to employ Vietnamera veterans, as well as disabled veterans, needs to be given more enforcement authority and be made the higher priority in DOL employment programs

QUESTION 5: (not applicable)

DRAFT DRAFT

EMPLOYMENT AND DISABLED VETERANS

"A Blueprint for Action"

Prepared by:

The Committee on Disabled Veterans,
The President's Committee on
Employment of the Handicapped
Washington, D.C. 20210

The Committee on Disabled Veterans (CODV) is a standing committee of the President's Committee on Employment of the Handicapped (PCEH). The committee operates as a federal agency to create awareness and promote employment of all disabled workers, particularly disabled veterans. Member organizations of CODV include:

The American Legion
AMVETS
The American Veteran's Committee
Blinded Veterans Association
Catholic War Veterans
Disabled American Veterans
Jewish War Veterans
Military Order of the Purple Heart
National Alliance of Business
Non Commissioned Officers Association
Paralyzed Veterans of America
Past National Commanders Association
Veterans of Foreign Wars
Vietnam Veterans of America

In addition to the member organizations listed above, many federal agencies including the Veterans Administration, Defense Department, Labor Department, Health and Human Services Department, Education Department, Small Business Administration, U. S. Postal Service, ACTION, and the Office of Personnel Managment provide liaisons and assistance to the committee.

BACKGROUND

During the past several years, there have been a proliferation of federal programs advanced and recinded to assist veterans and disabled veterans in gaining employment. All have been well intentioned. Some have been very successful, others have failed. CODV became curious about the inconsistency.

At the same time, CODV became concerned about the lack of impact even the most successful programs had on reducing the unemployment rates of disabled veterans. However, the committee's concerns begged quantification.

Notwithstanding the many years of expertise in employment programs and problems represented by the members of the committee, a void existed. Committee members did not posess the first hand knowledge of the problems shared by employment counsellors, employers and veterans who use these federal programs. This "rubber-meets-the-road" perspective simply did not exist on the committee. Nor, as nearly as CODV could tell, did this perspective exist at the levels in government charged with the development of programs.

Accordingly, CODV embarked on a program to fill this void. During the past two years members of the committee on disabled veterans have travelled, at no expense to the government, to seven cities across the USA. These cities included: Baltimore, MD; Denver, CO; Nashville, TN; Augusta, ME; Portland, OR; Seattle, WA and Pittsburgh, PA. In each location, CODV members heard directly from local service providers, disabled veterans, veteran service organizations and employers about the employment problems facing disabled veterans. The format for these conversations was in the context of a "Community Forum on Employment And Disabled Veterans". The attached "Fact Sheet" explains the details of this meeting series. This report highlights or summarizes all seven meetings along with the CODV's recommendations to the issues documented.

FINDINGS

There was an astounding consistency in the comments made by individuals who appeared before the panel of CODV representatives. However, this consistency cannot be attributed to any act of the committee. Different members of CODV participated in each forum and the forums were chaired by three different individuals. Each of the forums was arranged by a different host/sponsor from the city in which the forums were held. Additionally, no prescribed format was used in inviting persons to appear or in seeking their comments on specific issues. No fixed series of questions were asked of any participant. Nevertheless, a consistency was obvious.

The single most repeated observation of individuals participating in the forums regarded the lack of coordination and communication between government agencies providing services to veterans. Veterans, Disabled Veteran Outreach Program counsellors (DVOPs), VA benefit counsellors, U.S. and state employment services representatives, veterans organizations and even some employers decried the absense of interagency coordination. One participant in Portland noted that the lack of communication was ". . .the largest failure of the system. . .the biggest single obstacle to success." In every city, service providers admitted an inability to provide referrals to those they could not help. In some areas, trained counsellors were not familiar with either the people or the programs of other agencies. None of the cities visited had a federal agency counsel to coordinate services to veterans or to exchange information on programs. None of the cities we visited had a universal directory of service providers from the various agencies.

Another subject of frequent discussion concerned the absence of a tailoring in employment programs. Providers were universally disappointed in thier inability to find veterans able to meet the technical requirements of every program, and, in the criteria for veteran or employer participation in each program. For example, counsellors and DVOPs spoke of having veterans available for placement who would be excellent candidates for placement under the Emergency Veterans Job Training Act but for the fact that the veteran had taken an interim job and did not meet the continuous unemployment requirement. Employers consistantly complained of different compliance requirements for veterans employed under various programs. One employer explained that he would need a specialist to fill out the forms for the veterans he has working under EVJTA, TJTC, JTPA, VA-OJT.

These are just two areas in which correctable deficiencies were identified. Yet they serve as an example of the problems which exist. On the next few pages of this document are summaries of reports generated by the committee after each forum. They are a fair collection of quotes and observations made by the hundreds of people who shared information with the committee. It is there input which has prompted the COVV recommendations.

The Statements that follow are divided among the four categories of persons involved in the "Forums." They are:

I. Comments for Disabled Veterans
II. Comments from Veterans' Service Organizations
III. Comments from Public Agencies Serving Veterans; and,
IV. Comments from Employers.

I. Comments from Disabled Veterans

On employer attitudes...

"I'm a severely disabled veteran. When I went looking for work, the reaction of potential employers was not to see which jobs I might be able to do; rather, they would talk to me in terms of creating a special job; if they would talk to me at all. I don't want that. I don't want make work. I don't want to be ignored. We need informational efforts which inform employers about the potentials severely disabled veterans have for work."

"When I finally got out of an Army medical hospital, I was calssified a 30% diabled veteran. When I went to work, I was classified by my employer as one of those "crazy" Vietnam Veterans; and, I was limited in what I was allowed to do on the job. So, I left that job. I still feel this attitude wherever I go. Employers are afraid of Vietnam Veterans. I know. We've got to turn their thinking around."

"When I would go for a job, somebody would say, 'Oh, Vietnam- we'll call you.' I would never hear from them again. I believe in the United States and I fought for it. But I got doors slamming in my face when I came home. When I went to welfare agencies for help, they would say I'm too healthy. I know I can work; yet, nobody wants to employ me. Where am I supposed to turn. I haven't worked for two years."

On job accommodations...

"As a deaf disabled veteran working for a federal agency I asked my employer to provide me with a teletype machine (TTY) so that I could be effective over the telephone. This and other reasonable accommodations were denied me. Others like me have had the same experience both in and out of government. They need special accommodations to be successful in the job;, but, the employer won't help. Instead they'll just fire you. They're going to fire me.

On incarcerated veterans...

"I got in trouble with the law after Vietnam. I got caught and went to jail. There are a lot of Vietnam veterans both disabled and not disabled there. A lot can be done to help them, once they're out, to get ready for work. I was helped by the VA after I wrote to them from jail. More of this needs to be done."

On nonservice-connected disabled vets...

"I'm a nonservice-connected severely disabled veteran. When I sought rehabilitation services the VA helped somewhat but because I was nonservice-connected many of the resources that they had available to them were not available to me. Next, I went to the state vocational rehabilitation agency. They were helpful but I always felt that if both the VA and the state rehab agency could have gotten together and shared resources a better rehabilitation plan could have been developed."

I believe in casess involving nonservice-connected disabled veterans more cooperation is needed between state VR agencies and the VA.

Also, the status of nonservice-connected disabled veterans in VA rehabilitation program needs to be examined to see if more can be done to serve these individuals within the VA system."

On VVLP ....

The "Vietnam Veterans Leadership Program" is the right kind of government program that seeks to develop an accurate public perception of Vietnam era veterans. It should continue beyond the termination late currently expected. Now that we've got VVLPs going it will take years to get the most out of them. It took years to develop the negative attitudes about disabled Vietnam era veterans. How about some more time to fight back?

On the Veterans Administration...

The VA must continually impress upon its employees the fact that if a veteran doesn't get a feeling of warmth and support when he or she visits a VA facility for service, they may drop out. We need to promote the idea that the VA is a service agency and needs to relate in a positive way with the veteran population it serves."

II. Comments from Veterans' Service Organizations

On employer attitudes...

"During the course of my helping disabled veterans find jobs I've met too many employers who meet a disabled veteran and expect to pay him less than the job would normally pay. Either they think he'll accept less because of his compensation; or, they down grade the job because they think the disabled vet can't really perform.

Employers need to be informed about the purpose of the compensation program and the capabilities of qualified disabled veterans. These issues need to be met head-on."

On commitment...

"During my time in this business of helping disabled veterans find work I've seen a number of programs which were originally designed to target disabled veterans with employment related services; and, by the time these programs unfold -- they become diluted. For example; DVOP -- initially a program to hire disabled veterans who would, in turn, help other disabled vets find work. Well, soon after this program came into effect, severely disabled veterans were screened-out. They didn't have a driver's license. Or they were mobility or sensory impaired. Now, many nondisabled vets or minimally disabled vets are DVOP coordinators. And, now the vast majority of case work begin done by DVOPs is not with disabled veternas. Similar dilutions of purpose have occurred in the HIRE program, CETA, SBA, NAB, Selective Placment Coordinators and more. The point is, we start with programs designed to serve disabled veterans and when the issues relating to disabled veterans begin to challenge us we avoid them by watering the program down -- looking for the easy way out. This means we ignore the real needs of disabled veterans."

"I feel there's an irony in this field. I've seen hundreds of Vietnam Era veterans who served their time in the states and never had to go to the war, get educational benefits, job preference, hospitalization, etc. Don't get me wrong, they deserve these things. But we've blown it for our disabled veterans -- combat veterans who were shot or injured in a war for their country. We've let them sit home and watch TV. Some money and some good planning could do a lot to assist this veteran with employment."

On pre-separation counseling...

"I've been involved with veteran's organizations for years. The biggest problem among disabled veterans, with respect to employment, is they don't know what's abailable to them. They don't know about all of the VA programs or LVERs or DVOPs etc. These kids come out of the service -- disabled; and are on their own. More effective counseling is needed prior to separation of disabled veterans. The Department of Defense should address this issue with the cooperation of the VA and the Department of Labor."

On disencentives...

"Let's not turn away from the issue of economic disencentive to work. They're there. I've talked to many severely disabled veterans who fear that by going to work they'll lose SSDI or even some of their VA benefits. Or, others who just don't believe they could go to work. We can't afford this waste.

Information needs to be sent to severely disabled veterans both about their own abilities and potentials for returning to work and about the impact working would have on compensation programs."

On the new "Jobs Bill"...

"The new 'Emergency Veterans Job Training Act' holds great promise. There are a lot of questions about how it will work. We only hope that the level of effort put into this promising program will be high. Too often good programs come off the drawing board and are subverted either intentionally or unintentionally (incompetence). Government must stop the uneven administration of new programs. It seems as though if the people in the agency like a particular program they'll support it. If the program is based on a law, it's the law and must be pursued vigorously. Let's support this new program in every way. And, let's root out bad management and subversion in all future public programs. Such efforts will win back the trust of the veteran population in government programs."

On the Job Service...

"Efforts need to be undertaken with both the Job Service and with all the other agencies serving disabled veterans with employment related programming to get them together again. Unfortunately, the relationship has faded. The Job Service can and should play a vital role in placing disabled veterans in employment. With the efforts of all concerned this potential can be realized Let's work together again."

On the VA...

"Why can't the Veterans Administration send information to disabled veterans on employment? We try to do this

locally; but, without a systems approach from the national office, it's hard. Employment is a crucial issue with both disabled vets and other veterans. The VA needs to get more intensely involved in the area."

"Our service to disabled veterans has found that many more disabled veterans with prosthesis could and would seek out employment if their aides worked better. More attention needs to be paid to this area."

On "Vet Centers"...

"This program reaches the many Vietnam combat veterans who might not otherwise seek out support or services from the 'establishment'. They've grown distrustful of government. Our experience has demonstrated that over 90% of the walk-ins to the Vet Centers have been in need of employment related services. We're beginning to realize the necessity of meeting this need through the support and cooperation of the Department of Labor. We need to be doing more in this area."

III. Comments from Public Agencies Serving Veterans

On employer attitudes...

"We work and talk with employers everyday, asking them to hire disabled veterans and other veterans, particularly Vietnam era veterans. They tell us candidly that from what they've seen in the media about these veterans, they're afraid to hire them. If only the media would stop fictionalizing them or projecting the problems of a few on the many, we'd be in better shape. Public attitudes and, in turn, employer attitudes are negative about Vietnam veterans in far too many instances. We need to pay attention to this issue and address it head on. Also, with respect to disabled veterans, the same generalization made about handicapped people and what they cannot do are made about disabled veterans. People and employers are generally of the opinion that if you're handicapped, then your incapable of work. Not true. And, they need to be told this."

On interagency coordination...

"Probably the single biggest obstacle facing the area of employment and disabled veterans is the need for a more coordinated approach to meeting their needs. Linkages need to be developed at all levels of administration, especially at the local level. Meetings such as this 'Community Forum' are an effective way to begin this needed dialogue. We encourage their continuation and expansion."

On the below 30% disabled vet...

"I'm a DVOP coordinator and a disabled veteran. In my work I meet many disabled veterans who are rated at 10% and 20%; but have other disadvantages beyond their disability. They paid their dues. And, they need employment help. Unfortunately, VA vocational rehabilitation isn't able to do much for them. Also, after Vietnam many of these disabled veterans were leary of the bureaucracy. They let the years pass-by without taking advantage of the G.I. Bill. The delimiting date is stupid."

On mandatory job listings...

"I work as a DVOP coordinator. As the system is set-up now, I can't get the information I need about job vacancies or new programs. The mandatory job listings program is a joke. We learn who gets federal contracts and we call them up. They hang up on us. There's no teeth in the program. The only way I can find out about available jobs is through my informal contacts. But, that's not enough."

On budget cutting...

"The impact of budget cutting from the federal level is uneven among the states. It must be realized that if you cut "X" percentage from a program, it will be more intensely felt in the smaller states. Any more budget cuts will paralyze our programs."

On readjustment counseling and employment...

"I meet a lot of disabled veterans who are out-of-work and who are in great need of readjustment counseling. This remains a tremendous problem. But, we can't get started on these kinds of problems until we get the work situation settled. So much hinges on employment.

On outstationing DVOP Coordinators...

"I'm a DVOP coordinator. I'm outsationed at the VA hospital. They have me integrated into their program. I go to their staff meetings. I have access to all records and services. Here's where I meet disabled veterans and serve them. Here, I'm able to get to them early and at a more realistic pace. In the employment security office I would see 40 to 50 clients a day. That's to many to serve any of them adequately."

"Readjustment problems need continued attention. Those serving the employment needs of disabled veterans (DVOP coorinators, LVERs, etc.) need to be aware of this issue and able to coordinate services to meet this need. Conversely, Vet Center personnel need to be briefed and prepared to access employment related services to those veterans who require readjustment counseling and are out-of-work."

On the VA...

"The VA On-The-Job training program (OJT) is good. Unfortunately, it often takes 8 or 9 months to get the paper work approved. The vets I work with can't wait that long. They need food on the table.

Recognition must be given to the existing economic circumstances of the disabled veteran applying for an OJT program. In cases where economic hardship exists, a speedy review should be required."

IV. Comments from Employers

On employer attitudes...

"The two major reasons employers cite for not hiring disabled veterans are: 1.) the problems of accessibility and job accommodation and; 2.) insurance cost will be higher if they do hire disabled veteran. Informational efforts are needed to inform employers that both of these issues are easily resolved."

"Through my experience I've learned that it costs very little to make reasonable accommodations for disabled veterans in the work place. But, I know other employers fear this topic. They need some sort of incentive in order to motivate them to take up the challenge."

Advice from employers...

"I get a lot of applications from disabled veterans and other veterans with information about their military service which is unuseable. Tell these people to be sure to attached an explanatory note translating what they did in the military into a comparable civilian skill. For example, I don't know what an E-5 specialist is or what skills that required. An effort should be undertaken by the Department of Defense, Department of Labor, the VA and veteran service organizations to inform departing servicemen/women of the civilian comparability of their military skills."

"The best way for disabled veterans to appeal to an employer for a job is to concentrate on two or three area employers and get to know them. Be persistent; but not obnoxious. Keep coming back and visiting them,

until a job opens up. Eventually, they'll see that you're serious and determined. Also, this approach will give the employer the oppoetunity and the time to get to know you and become comfortable with the disability."

"We can learn much about effective job search tactics from employers. We should involve them both in helping us to design our training programs and our counseling programs."

"I used the HIRE II program and it worked well. Employers liked it. These are the types of programs that get the job done. The effective qualities of HIRE II need to be redesigned to promote the employment of disabled veterans among the employer community."

"This country and our economy are undergoing profound changes. A high technology revolution is underway. I can see how this development can offer new hope and promise to disabled veterans who can do more in the sedentary jobs created by this revolution. Let's not lose the advantage. Get them trained in these fields. Vocational rehabilitation and other training programs for disabled veterans must look aggressively at developing training programs in the high tech areas."

RECOMMENDATIONS

Based on the statements received from participants, CODV had been able to identify several areas in which correctable deficiencies exist. Making recommendations regarding those deficiencies is a more difficult process since many of the problems may be solved in several ways. CODV feels obligated to define some of the alternatives available but does not intend to suggest that its recommendations are the only solutions.

A. Program Design

As mentioned previously, in this report, many disabled veterans are denied employment assistance service because they fail to meet the specific participation requirements of the several employment programs currently available. Concurrently, many employers do not participate in these special employment programs because of burdensome employer criteria or reporting requirements. Finally, because of the number of programs available, and the varying criteria for participation, an inordinate amount of time is required to accomplish training and placements of veterans.

Almost universally, veterans, counsellors and employers asked that the number of programs be reduced; that the reporting requirements be standardized; and, most important, that placement counsellors be given the latitude to "tailor" or adjust participation requirements to meet veterans and employers needs.

These needs suggest the consolidation or redesign of all special employment programs available to veterans. As invisioned by the Committee, this consolidation would allow LVERs, SVERs, DVOPs and other appropriate employment service representatives to negotiate and authorize training and placement programs based on the needs of individual veterans and employers within parameters set by law. Under this consolidation basic criteria for participation of veterans based on character of service, dates of service, education requirements (allowing vocational training for all veterans who cannot reasonably be expected to gain and hold employment without such training), etc. should be addressed. Employers should be given the latitude to choose between tax credits, salary offsets on OJT hires, etc., to meet their needs. At the same time, veterans eligible for VA education or training benefits might be required to forfeit some reasonable portion of such entitlements in an effort to offset program costs.

A first step was taken by Congress last year when it provided that vocational training could be given to pension recipients in an effort to reduce the pension rolls. Implementation of consolidation or universal training would simply be an extension of this concept. In the long run, it will be less expensive to train veterans into self sufficiency than to continue to support them with pensions, unemployment compensation, and welfare.

In the absence of a consolidated program, the need exists to increase staffing, standardize training and provide better controls in veteran placement services. Too often, DVOPs and LVERs are used for purposes other than those intended. Many, because of their workload, do not have the time to acquaint themselves with more than a few of the programs available for their use. In other cases, job services do not provide enough training to make these people effective. Increased staffing, standardized training for job service employees and better control over veteran employment specialists should be enacted.

B. Interagency Cooperation

Another major issue concerned the lack of coordination among service providers. In city after city, veterans and counsellors alike complained about not knowing who to talk to next.

Certainly it is not beyond the capability of government to create a system of consolidated listings by city or state of veterans service providers. In our opinion, the most logical way to do this is to design a standardized directory format, appoint one department as executive agent to collect the information, and then send a copy to everyone whose name or position appears in the directory.

If possible, include major employers and employment offices and others who have special outreach programs. Be certain to list veterans' organizations representatives. Synopsize if possible, some of the services available from particular agencies and distribute widely.

In addition, our Forums indicated that one of the largest failings of the employment and benefit system is the lack of competent referral. This situation would be substantially improved if a provider directory is published. However, even with such a directory, it would be optimistic to assume providers would have more than a passing acquaintence with the programs and functions of other agencies.

Lack of competent referral may be overcome by standardization of training. A manual and class, given to all who provide veterans services, would facilitate referrals and understanding of programs available from other agencies of government, civilian agencies and, in some cases, other divisions of the employees' agency.

Many referral problems could also be alleviated by better pre-discharge briefings from the military services. Here again, a catalog or manual summarizing benefits available to veterans would be advantageous. If DOD were to reprint and distribute the same standard manual used for training and acquainting service providers with agency programs, it would be an excellent source document for use in organizing discharge briefings. At the same time, it would make an excellent reference document for service counsellors.

C. Reasonable Accomodation

Reasonable accommodation is a scary concept to those who lack experience in dealing with handicapped people. As a result it is one of the largest impediments to disabled veteran employment. Yet, reasonable accommodations to the employment of disabled individuals may be as simple as rearranging furniture in a work area. In 50 percent of all employment cases, based on figures available to the committee, reasonalbe accommodation can be made without employer cost or at a cost of less than $50.00. In the next 30 percent, accommodation may be made for less than $500.00. In the top 20 percent of cases, however, reasonable accommodation can become expensive. There are several possible ways to deal with this issue.

First, employers willing to make reasonable accommodation might be allowed a tax credit for the cost of such accommodations, particularly those requiring the acquistion of special aids or appliances.

Second, disabled veterans, who service connected disability requires reasonable accommodation, should be given an allowance to enhance their employability. Such allowances should be made along the same line and with the same reasoning as used to justify housing, automobile, and clothing grants and allowances.

Third, where necessary, special allowances should be created for TTY equipment for hearing impaired veterans and readers for blinded veterans. Such equipment and services should be provided just as prosthesis are provided to amputees.

SSDI and veterans pension savings would certainly pay for the cost of these acvommodations necessary to putting veterans back to work.

D. Disincentives to Work

One issue which has concerned CODV has been wthether certain forms of compensation have served as a disincentive to veterans seeking employment. The issue was not ignored by forum participants. The consensus is that Service Connected Veterans Disability Compsnsation has little impact on a veteran's decision to seek employment. Most likely because the amount of compensation the veteran will receive is not contingent on other income. However, in many cases, veterans will not seek work, or will decline acceptable work, because of the impact it will have on veterans pension or SSDI benefits. For some substantially or severely disabled veterans work is not a feasible alternative to receiving other form of public support since the income levels of public support cannot be achieved. THIS IS NOT AN ARGUMENT TO CUT PUBLIC SUPPORT. However, some reasonable modification may be desirable.

Most veterans would gladly accept employment if maintenance income is protected. One does not have to be an economist to understant that veterans receiving $10,000.00 per year in public income will lose money if they accept a job at $10,000.00 per year. The tax burden of employment will exact a sizeable toll. Additionally, the work related costs of commuting, clothing, meals and in many cases, employment accommodations provided by the veteran, will substantially impact on real income. Veterans pensions provide some degree of protection. Recent changes in the pension program will greatly expand opportunities for veterans to

free themselves from the pension rolls. Still, economic disincentives remain.

Several alternative methods of removing economic disincentives to employment are available.

As one alternative, protected income minimums might be used. This would allow SSDI and pension benefits to continue in amounts necessary to guarantee minimum incomes.

Another choice, in order to preserve income levels for those who accept employment, exempt work related income in an amount equal to the public support they were receiving from federal income tax payments for the first five years of employment.

A less desirable alternative might be to allow veterans to deduct, as a business expense, amounts paid for services or products related to their disability. This might include purchased accommodations, clothing, commuting costs, parking, etc.

The most reasonable resolution to the issue may entail conducting a more quantitative study of the issue. Hopefully a Congressionally mandated study would more clearly quantify the disincentives and the options for correction.

E. Attitudes

Another common thread that existed in all the forums conducted by CODV concerned the imagery associated with veterans, particularly Vietnam veterans. It would be impossible to legislate away the misconceptions, stereotyped images, and outright fear some people have of veterans. It is not at all uncommon to still find pockets of employers who cast veterans as crazed killers, potential psychopaths, and war-broken junkies. Only time, understanding, and a little better treatment by the media will change these misconceptions.

Nevertheless, many employers and veterans suggested one change in law that will help change the image. Surprisingly it concerns a return to a more clearly defined discharge system.

Many veterans claimed past efforts to minimize the impact of undesirable and bad conduct discharges have worked to the disadvantage of honorably discharged veterans. Conversely, employers acknowledged that discharges mean little anymore in hiring decisions because information necessary to assess reliability and honesty is missing.

Without doubt, most employers are less inclined to hire "bad-paper" veterans when honorably discharged veterans are available. However, most acknowledge they would hire "bad-paper" veterans under certain circumstances or for specific employment. At least one employer acknowledged that he was reluctant to hire veterans because he could not establish the true character of service.

It is indeed an insult to present a copy of an honorable discharge to a prospective employer only to be questioned about its voracity.

CODV is as interested in helping the bad-paper veteran as those who are honorably discharged. However, we see no reason to jeopardize employment opportunities for one group to protect the other. Accordingly, we urge a review of the discharge system with the specific objective of clarifying character of service information crucial to post service employment opportunities.

F. Federal Government as an Employer

Lastly, a concerted effort should be made to make government a better example of veteran employers. Without exception, in each city the committee visited, a veteran or counsellor outlined a "horror story" in which the federal government played the villian. Sometimes it involved agencies that were unwilling to make reasonable accommodation, other times it was agencies that simply refused to consider veterans. CODV does not want to point fingers in this issue—but greater effort and attention should be given this issue by agency employers.

CONCLUSION

In the final analysis the single largest impediment to full employment among disabled veterans and veterans in general may be the myths and prejudices that plague our communities today. However, it is the firm belief of the CODV that enactment of the recommendations contained herein will greatly reduce unemployment among the Nations disabled veterahs.

The American Legion
For God and Country

★ WASHINGTON OFFICE ★ 1608 "K" STREET, N.W. ★ WASHINGTON, D.C. 20006 ★
(202) 861-2700 ★

SEP 19 REC'D

September 17, 1985

Honorable Alan Cranston
Ranking Minority Member
Senate Veterans Affairs Committee
SH-202 Hart Senate Office Building
Washington, DC 20510

Dear Senator Cranston:

This letter is in response to your follow-up questions arising from the oversight hearing on employment programs for veterans held on September 12, 1985. The first of your questions cites a recent publication entitled Employment And Disabled Veterans, "A Blueprint for Action". Since the hearing record will remain open only until September 18, 1985, it will be impossible to supply a timely answer without having had an opportunity to review that document's contents.

In the second question we are asked to respond to the proposition that a change in the length of time an individual was employed prior to establishing eligibility for EVJTA would result in diluting the program with individuals other than those in greatest need. We agree with the proposition that those individuals who are most job ready are best suited to this program.

Those having already been certified as eligible either once or on multiple occasions since this program's inception may not be well suited to EVJTA as currently configured. These individuals most certainly are deserving of ongoing assistance in efforts to place them in training for jobs. However, as was pointed out by most organizations representing the veterans communities at the hearing, these hard core unemployed individuals are in desperate need of adequate support services such as testing, counseling and matching of aptitude and skill levels with prospective employers. In the meantime, those veterans best suited to this particular program should not be penalized because they have been unemployed for shorter periods.

Another part of the same question assumes that no new funding beyond residuals remaining from the current fiscal year should or will be allocated. If it is true that no new funds can be allocated, that will be terribly unfortunate. If it is true that the committee believes no new funds should be allocated, that will be unreasonable in our view.

Question three has already been answered to the extent that EVJTA is not the best means to assisting hard core jobless veterans, but that additional support services would be helpful. As we stated in our written statement for the hearing, the EVJTA was never understood by us to be a program for hard core unemployed veterans.

The final question asks what might be done to impress upon employers using or potentially using the EVJTA their obligation to assist veterans. To date the Legion

has taken several steps to publicize the existence of this program and to encourage employer use of it. Beyond an accumulation of positive experiences and familiarity with the program over time, it is unclear what might be done to further impress employers to assist veterans. Most employers having already participated have probably been at least partially motivated by legitamately self interested business decisionmaking factors. An approach to the private sector that was designed to intimidate employers into participation would probably be counterproductive.

As always, your attention to the views of The American Legion is appreciated.

Sincerely,

Paul S Egan

Paul S. Egan, Deputy Director
National Legislative Commission

Office of General Counsel Washington D.C. 20420

Veterans Administration

SEP 20 1985

In Reply Refer To:
021:FJB

Honorable Frank H. Murkowski
Chairman, Committee on
Veterans' Affairs
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

I am pleased to provide the enclosed answers to eight written questions submitted by Senator Cranston following the Committee's September 12, 1985, oversight hearing concerning issues relating to employment of Vietnam era veterans, including administration of the Emergency Veterans' Job Training Act of 1983 (EVJTA).

Sincerely yours,

DONALD L. IVERS
General Counsel

Enclosures

1. A. OF THE REMAINING 90 PERCENT, DO YOU HAVE ANY ESTIMATE AS TO THE NUMBER WHO MAY HAVE BEEN SUCCESSFUL IN FINDING EMPLOYMENT IN SOME OTHER FASHION?

DURING THE CENTAUR EVALUATION OF THE PROGRAM, OVER 500 VETERANS WHO HAD RECEIVED A CERTIFICATE OF ELIGIBILITY BUT HAD NEVER ENTERED THE PROGRAM WERE INTERVIEWED. OF THESE, 41 PERCENT REPORTED THAT THEY WERE EMPLOYED FULL-TIME AND 11.4 PERCENT REPORTED PART-TIME EMPLOYMENT. APPLYING THESE EMPLOYMENT RATES TO THE TOTAL WHO APPLIED, WE ESTIMATE THAT APPROXIMATELY 176,000 OF THESE VETERANS ARE EMPLOYED ON A FULL- OR PART-TIME BASIS. HOWEVER, THIS ESTIMATE MUST BE USED WITH CAUTION BECAUSE ALL INTERVIEWS AND AN INDEPTH ANALYSIS OF THE RESPONSES MUST STILL BE COMPLETED.

2. THE HIGH DROP-OUT RATE AMONG THOSE WHO WERE PLACED IN TRAINING MUST CERTAINLY BE A MATTER OF SERIOUS CONCERN. IT HAS BEEN SUGGESTED THAT THIS CAN BE ATTRIBUTED TO SEVERAL FACTORS.

A. WHAT ARE YOUR THOUGHTS ON THE REASON FOR THE HIGH DROP-OUT RATE?

A NUMBER OF FACTORS ARE BEHIND THE ESTIMATED DROP-OUT RATE OF 56 PERCENT. EMPLOYERS REPORTED THAT 49 PERCENT OF THE DROPOUTS QUIT VOLUNTARILY. TWENTY-EIGHT PERCENT WERE TERMINATED BY THE EMPLOYER FOR UNSATISFACTORY PERFORMANCE. ELEVEN PERCENT WERE LAID OFF, ANOTHER 11 PERCENT QUIT FOR OTHER REASONS (HEALTH, FOR EXAMPLE) AND ONE PERCENT WERE CONSIDERED BY THE VA TO BE QUALIFIED FOR THE OCCUPATION WITHOUT NEED FOR TRAINING. COMBINING THE "FIRED", "LAID-OFF", AND "QUALIFIED CATEGORIES" IT APPEARS THAT APPROXIMATELY 40 PERCENT OF THE VETERANS WERE TERMINATED INVOLUNTARILY WHILE THE REMAINING 60 PERCENT TERMINATED PARTICIPATION OF THEIR OWN ACCORD (49 PERCENT QUIT, 11 PERCENT TERMINATED FOR OTHER REASONS).

THE REASONS FOR DROP-OUTS AS REPORTED BY THE EMPLOYERS ARE GENERALLY SUPPORTED BY INTERVIEWS WITH A SAMPLE OF VETERANS WHO DROPPED-OUT. SIXTY PERCENT OF THE DROP-OUTS WERE VOLUNTARY. OF THIS 60 PERCENT, 32 PERCENT OF THE VETERANS REPORTED THAT THE TRAINING, HOURS OR WAGES WERE NOT WHAT WAS EXPECTED. ANOTHER 16.5 PERCENT FOUND A BETTER JOB AND LEFT THEIR TRAINING PROGRAM. SIX PERCENT LEFT FOR HEALTH, FAMILY OR PERSONAL REASONS AND ANOTHER FOUR PERCENT LEFT FOR OTHER REASONS. OF THE INVOLUNTARY TERMINATIONS, 30 PERCENT OF THE VETERANS REPORTED THAT THEY HAD BEEN LAID OFF AND 11 PERCENT REPORTED THAT THEY HAD BEEN FIRED. ALTHOUGH EMPLOYERS REPORTED THAT 28 PERCENT WERE FIRED AND 11 PERCENT WERE LAID OFF, THE OVERALL INVOLUNTARY TERMINATION RATE OF 40 PERCENT IS SUPPORTED BY BOTH SOURCES.

THE MAJORITY OF DROP-OUTS WERE VOLUNTARY: 32 PERCENT FOUND THE TRAINING, HOURS OR WAGES NOT WHAT EXPECTED, 16.5 PERCENT FOUND A BETTER JOB AND 10 PERCENT LEFT FOR HEALTH, FAMILY OR OTHER REASONS. APPROXIMATELY 40 PERCENT OF DROP-OUTS WERE INVOLUNTARY AND WERE EITHER FIRED OR LAID OFF.

THESE RATES ARE ONLY PRELIMINARY RESULTS FROM THE SURVEY OF VETERANS. MORE DEFINITIVE AND RELIABLE DATA WILL BE AVAILABLE WHEN ALL VETERAN INTERVIEWS ARE COMPLETED AND THE RESPONSES FULLY ANALYZED.

Q. 1.B. As of three weeks ago, on August 19, VA statistics indicated that almost 94,000 veterans had requested renewals of their certificates of eligibility. I realize that that figure may include some duplication, but I would like to have some estimate as to the number of veterans who had eligibility as of September 1 under the program but had not yet been placed. What is your best estimate of the number of eligibles who are still in the pool?

A. 1.B. Relying on the accuracy of Centaur's findings, we would estimate that there are about 110,000 veterans who are still eligible to participate.

Q. 2.B. To the extent that this rate reflects veterans who are not job-ready, what special efforts have you made generally to work with veterans with special problems and, specifically, to provide VA Vocational Rehabilitation services to those with service-connected disabilities?

A. 2.B. Under Public Law 98-77, the VA is authorized to provide a wide range of employment counseling services which include:

a. Comprehensive evaluation and assessment to identify job fields for training or retraining;

b. Identification of available job training opportunities and coordination of job development activities, particularly with DVOP (Disabled Veterans Outreach Program) specialists and LVER (Local Veterans Employment Representatives);

c. Identification of job modifications which may be needed;

d. Identification of available resources such as VA medical centers, Vet Centers, and other agencies in the community, to cope with problems in job adjustment;

e. Assistance in utilization of and coordination between agencies and programs providing employment services; and

f. Exploration of alternative plans for training and employment under programs administered under title 38.

As a matter of policy, every effort is made to assist veterans with special problems to obtain the supportive services necessary to accomplish a satisfactory reintegration into civilian life. The case of each veteran with a compensable service-connected disability found eligible for assistance under EVJTA is forwarded to the VR&C (Vocational Rehabilitation and Counseling) Division. These veterans are then specially notified that they may be entitled to alternative educational and training benefits under chapter 31 which may be more advantageous than the benefits available under EVJTA. Veterans referred to the VR&C Division also receive a VA Pamphlet 28-82-1, Vocational Rehabilitation - Your Key to a Independent Future; a VA Form 28-1900, Disabled Veterans Application for Vocational Rehabilitation; and a preaddressed return envelope. Veterans are encouraged to arrange an appointment to explore available alternatives.

Q. 2.C. Once a veteran is placed in a job, does either the V.A. or the Labor Department follow up with regular contact with the veteran so that problems --- if they do exist -- might be minimized? (If not, why not?)

A. 2.C. The VA does not have regular contact with the veteran once the veteran is placed in a job. The success of the program has been its hassle-free approach. Should the veteran request assistance, we would certainly comply with the veteran's request.

Q. 2.D. Prior to an employer taking action to terminate a veteran from a position during the training period, is notice given to either the V.A. or the Labor Department to see if some sort of remedial action might be available to avoid the termination? (If not, why not?).

A. 2.D. The employer is not required to give notice to the VA prior to terminating a veteran under EVJTA. However, should the employer not adhere to the contract the veteran would certainly advise the VA and/or the DOL.

5. A. WHAT IS YOUR BEST ESTIMATE AT THIS TIME OF THE FUNDS REMAINING IN THIS PROGRAM?

AS OF THIS DATE WE ESTIMATE THERE IS $18 MILLION REMAINING IN THE PROGRAM.

B. (I) AS YOU KNOW, BOTH THE SENATE AND THE HOUSE HAVE APPROVED EXTENSIONS OF THE DEADLINE BY WHICH VETERANS MUST ENTER TRAINING. THUS, IT IS VERY LIKELY THAT SUCH AN EXTENSION WILL BE ENACTED IN THE VERY NEAR FUTUPE. ASSUMING, FOR EXAMPLE, THAT THE PERIOD WERE EXTENDED UNTIL JULY 1, 1986, WOULD YOU EXPECT THE REMAINING BALANCE TO BE SUFFICIENT TO COVER THE COSTS OF THE PROGRAM UNTIL THAT TIME OR WOULD YOU EXPECT TO RUN OUT OF FUNDS FOR THOSE PRESENTLY CERTIFIED?

PROVIDED THE EXISTING ELIGIBILITY REQUIREMENTS REMAIN UNCHANGED, WE EXPECT THE REMAINING BALANCE TO BE SUFFICIENT TO COVER THE COSTS OF THE PROGRAM.

B. (II) WOULD YOU EXPECT THERE TO BE FUNDS LEFT OVER AS OF JULY 1?

IF THE PERIOD BY WHICH VETERANS MUST ENTER TRAINING WERE EXTENDED TO JULY 1, 1986, WE WOULD EXPECT THAT ALL THE AVAILABLE FUNDS WILL BE COMMITTED. HOWEVER, WE ANTICIPATE SOME COMMITTED MONIES WILL BE RETURNED AND DEOBLIGATED BECAUSE OF EARLY TERMINATIONS OF TRAINING PROGRAMS BY VETERANS.

Q. 6. The Paralyzed Veterans of America in its prepared statement notes a working draft entitled Employment and Disabled Veterans, "A Blueprint for Action", which has been prepared by the Committee on Disabled Veterans of the President's Committee on Employment of the Handicapped. The PVA cites the study's finding of a "lack of coordination and communication between government agencies providing services to veterans". In addition, concerns were expressed about inadequate staff and training and program dilution.

A. 6. The improvement of interagency coordination and communication is one of the VA's highest priorities. To that end, the Administrator and the Secretary of Labor signed a new VA/DOL Agreement on June 26, 1984, which promotes direct communication between local staff persons who are providing employment related services. In many instances, SESA (State Employment Security Agency) personnel are outstationed at VA facilities on a full or part-time basis. This arrangement facilitates joint program planning, exchange of information and thorough follow-up.

QUESTION: 7. As you know, in addition to proposals to extend the job training program, there are proposals to modify the eligibility criteria for veterans by reducing the period of unemployment required from 15 out of 20 to 5 out of 20 weeks. One concern I have with such proposals is articulated very well by the PVA - that is, program dilution. Specifically, the result might be that efforts would not be made to place and hire already-certified, long-term unemployed veterans, but, rather, the remaining funds would be expended on newly-eligible, newly-unemployed veterans who would be more easily placed, but much less in need of this extraordinary assistance.

A. To what extent do you share this concern?

RESPONSE: Accepting the claim that employers would tend to hire based on positive employment history, those veterans with more recent work experience would have a distinct advantage over those who have been unemployed for a much longer period of time.

B. To what extent do you believe that the result I outlined would occur if eligibility criteria were not changed but the opportunity to make new application for the program were re-opened?

RESPONSE: We would expect new applicants to have an advantage for the same reasons. They are likely to have a more recent work history than veterans who initially applied for participation before March 1, 1985.

Q. 8. Don, the American Legion, in its prepared testimony, discusses at length, the Department's lack of success in fully implementing the requirements of section 2012 of Title 38 relating to the responsibilities of federal contractors to take affirmative action to employ Vietnam-era and disabled veterans. I would appreciate your careful review of this portion of the legion's testimony and your giving us your response for the record and particularly indications as well whether any of the proposals under consideration to revise executive order 11246 Re: O.F.C.C.P. are intended to have any effect on the 2012 program.

A. 8. Although DOL's OFCCP (Office of Federal Contract Compliance Program) has the primary responsibility for the implementation of 38 U.S.C. 2012, the VA participates in this effort as designated in the VA/DOL Agreement. Specifically, the VA assists special disabled veterans and veterans of the Vietnam era to understand their rights in connection with employment by federal contractors. The VA provides prompt response to requests for certification of disability status either directly to the veteran or to the OFCCP liaison at the request of the veteran. The VA also takes advantage of contacts with federal contractors to help them understand and carry out their responsibilities for affirmative action and has assisted employers in locating targeted veterans with the desired job skills.

Vietnam Veterans of America, Inc
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SEP 19 REC'D

September 17, 1985

Honorable Alan Cranston
Ranking Minority Member
Committee on Veterans Affairs
United States Senate
Washington, D.C. 20510

Dear Senator Cranston,

Attached are VVA's responses to the written questions you submitted to us at the September 12, 1985 Committee hearing on the future of the Emergency Veterans Job Training Act.

We are looking forward to working with you on this issue, as we have done on so many others in the past. We are grateful for your continuing leadership in addressing the employment problems of Vietnam veterans.

Sincerely,

DENNIS K. RHOADES
Executive Director

Attachments

Question #1: I would appreciate receiving for the record the comments of (the veterans) organizations on the concerns expressed and the findings contained in the report, Employment and Disabled Veterans.

VVA Response: VVA found the report most useful in shedding light not only on the concerns of disabled veterans, but in the identification of a number of problems in the veterans employment and training system. The discussions of employer attitudes, lack of interagency coordination, and the need for relevant structure among present day programs all point to the need for remedies. We need to take a comprehensive view of what programs and requirements are presently part of the law, and effect some major program overhauls to streamline the present system.

Question 2A: To what extend do you share the concern that modifying eligibility requirements under EVJTA from 15 out of 20 weeks to 5 out of 20 weeks unemployed would result in program dilution?

VVA Response: VVA believes the concern is a valid one. We do not favor a wholesale easing of eligibility requirements.The Centaur study indicated that employer selection in the program was based on "creaming." We believe this conclusion was erroneous in the context of present eligibility requirements, but might actually be the case if the eligibility requirement was lowered for the entire program. We favor a lowering of the requirement in selective cases, i.e., for combat veterans.

Question 2B: To what extend do you believe that the result I outlined would occur if eligibility criteria were not changed, but the opportunity to make new application for the program were reopened?

VVA Response: We believe these are two very different issues. The reason why we support reopening applications has to do with the viability of the present applicant pool. Field experience clearly indicates that the remaining applicants in the pool would be by and large unreachable. These veterans will be found to have had their phones disconnected, to have moved away, or to have taken jobs on the fringe of the labor market, at fast food restaurants, or working as security guards. This is the reality of trying to cope with unemployment.

Question 3A: Do you believe that EVJTArepresents the best means of addressing the needs of those veterans with significant problems in competing in the job market and those who are not job ready?

VVA Response: Yes and no. In our testimony, we identified two kinds of veteran client, the structurally unemployed or underemployed job-ready veteran, and the non job-ready, "hardcore" unemployed veteran. EVJTA currently serves the former client well by providing entree to an employer who might otherwise be inaccessible, and who is willing to provide substantive training. EVJTA may not be as successful with the latter type of client simply because there are no resources for preparing the veteran for the world of work.

Question 3B: What changes would you make in the program so as to make it more effective in meeting those needs?

VVA Response: Supportive services resources should be authorized as an adjunct to the basic training and labor exchange function of the program.

Question 3C: What other alternatives could you suggest as a means of best addressing this problem?

VVA Response: We believe both Veterans Affairs Committees in the House and the Senate should assume sequential jurisdiction over the Job Training Partnership Act, Title IV-C, broaden the language of 38 USC 2009, and work to raise the present funding level of Title IV-C from $7.5 million to approximately $25 million per year.

Question 4: Absent an extension of EVJTA, what can be done to impress on employers the continuing needs of veterans and the responsibilities-- moral and legal -- that they have, especially federal contractors and subcontractors?

VVA Response: We are frankly skeptical of moral "appeals" to the conscience of the employer community. This approach has been tried repeatedly for fifteen years and has produced little more than public relations campaigns which ultimately never translate into real jobs. As for the responsibilities of federal contractors--we have proposed a number of initiatives in our testimony before the House Committee on Veterans Affairs several months ago which might somewhat ameliorate the situation. These initiatives include spelling out contractor responsibilities in all federal contracts, rather than incorporation by reference, and much stricter reporting requoirements. Ultimately, however, the law itself needs to be greatly strengthened.

WRITTEN QUESTIONS FROM SENATOR SPECTER TO THE VETERANS'

ADMINISTRATION AND THE RESPONSES

Question: 1. What is the VA doing to alleviate the erratic tendency of veteran unemployment?

Answer: While Chapter 41 of Title 38, U.S.C., assigns to the Department of Labor primary responsibility for alleviating unemployment among veterans, the VA implements several programs designed to assist veterans in their readjustment to civilian life. "Suitable employment," for example, is a top priority of the vocational rehabilitation program. Similarly, one of the primary purposes of the VA's educational benefits programs is the provision of vocational assistance. Twenty-five "Career Development Centers" have been established at VA Regional Offices around the country. It should also be noted that over 40 percent of those veterans who seek assistance at a VA Readjustment Counseling Service "Vet Center" request assistance with vocational/employment problems.

The VA's Committee for Employer Support of Veteran Employment (CESVE) is working to improve the environment for veteran employment by means of a public awareness program aimed at private employers. So far, nearly 11,000 employers have requested a Statement of Support that recognizes the employment attributes of veterans and pledges the employer to encourage veteran job applicants. "Myths and Realities," the 1981 survey done for the VA, revealed that 64 percent of employers viewed military service as merely a neutral factor in making employment decisions. The committee seeks to convince employers that veteran status should be viewed as a positive factor.

In addition to these VA programs, the VA is working closely with the Department of Labor (DoL) and the 50 State Employment Security Agencies (SESA's) Jobs Service to improve the coordination of all veterans job training and employment services. Formal VA/DoL agreements have been updated to help assure the delivery of a broad range of services dealing with counseling, job training programs and job placement in suitable employment, with the ultimate goal of making a successful readjustment into civilian life for returning veterans.

Career Development Centers (CDCs) have been established in some VA regional offices to provide job assistance services to disabled and Vietnam era veterans in need of counseling and seeking help in finding suitable employment. DoL/SESA employment personnel (Disabled Veterans Outreach Program specialists) have been assigned by the SESA Job Service to a number of regional offices as a direct link in providing employment services.

Question: 2. Is it your view that veteran unemployment is cyclical or structural? If you believe it is cyclical, is it your observation that the veteran unemployment follows a cycle similar to that of non-veterans? If not, how does it differ? If you believe that it is structural, what do you see as being at the core of the problem and how is the VA attempting to resolve it?

Answer: In general, veterans fare as well as, if not better than, nonveterans with respect to employment. Veterans 18 years and older have a lower unemployment rate than nonveterans of that age. As the attached chart shows, the monthly levels of unemployment for all war veterans and Vietnam era veterans have fallen well below the level of unemployment for the total civilian population over the last two and one-half years.

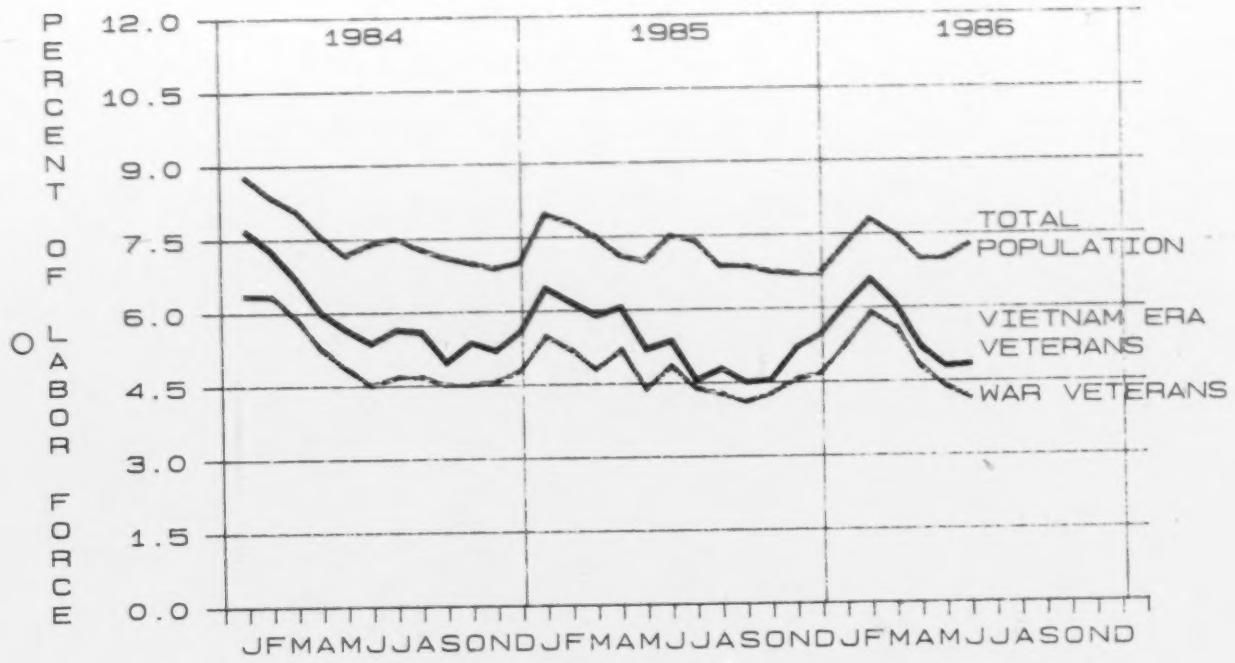
Unemployment for veterans, as it is for nonveterans, has both cyclical and structural components. It is cyclical in that fluctuations in the business cycle and change in season cause changes in the level of unemployment. That is, both veterans and nonveterans do better when the economy is up than when it is down and at certain times of the year compared to others. Veterans' unemployment is also structural in the sense that some groups of veterans tend always to have higher unemployment than other groups of veterans and some veterans' groups do not do as well as comparable nonveterans, even when the level of unemployment changes with the vagaries of the economy and season of the year. Vietnam theater veterans, for example, have a higher unemployment rate than Vietnam era veterans who did not serve in that military theater; veterans under 35 (post-Vietnam era veterans), unlike older veterans, have higher unemployment than their age counterparts among nonveterans.

Those factors affecting that component of veterans' unemployment which is structural are both varied and complex. Military service necessarily causes a delay in entry into the civilian labor market or interruption in civilian employment for veterans. The dislocations attending such a delay or interruption can be difficult to overcome. The situation is further complicated by such demographic and social characteristics as age, race, and education, which affect

employability and vary widely both within the veteran population and between veterans and non-veterans. The fact that veterans under age 40, for example, have lower educational attainment than non-veterans of that age might contribute, in part, to the higher unemployment rate of these veterans.

One group which presents a special challenge is disabled veterans. The problem is two-fold: to provide rehabilitation services to help the disabled veteran cope with disabilities and to provide vocational counseling to determine suitable employment objectives. An example of a job training program that requires the coordinated services of the VA/DoL/SESAs is the Emergency Veterans Job Training Act of 1983, as amended and renamed the Veterans Job Training Act (VJTA). The VA administers the VJTA program, issues Certificates of Eligibility to unemployed veterans qualified under the VJTA, approves the employers' on-the-job training programs, and provides counseling and employment services for those veterans requesting assistance. SESA Job Service Offices assist eligible veterans in filing their applications under VJTA, developing job slots with qualified employers and providing job placement assistance.

MONTHLY UNEMPLOYMENT RATES BY VETERAN STATUS
JANUARY 1984 - JUNE 1986
<RATES NOT SEASONALLY ADJUSTED>



STATISTICAL REVIEW AND ANALYSIS DIVISION
OFFICE OF INFORMATION MANAGEMENT AND STATISTICS

60-880 (294)